

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 549

Introduced by Adams, 24.

Read first time January 21, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend sections 13-518, 43-2007,
2 60-658, 79-233, 79-234, 79-237, 79-238, 79-239, 79-240,
3 79-2,104, 79-319, 79-528, 79-569, 79-598, 79-606, 79-608,
4 79-611, 79-1003, 79-1007.06, 79-1007.08, 79-1007.16,
5 79-1007.20, 79-1007.21, 79-1007.22, 79-1014, 79-1065.01,
6 79-1084, 79-1086, 79-10,110, 79-1110, 79-1127, 79-1148,
7 79-1149, 79-1150, 79-1161, 79-1204, 79-1212, 79-1241.01,
8 79-1241.03, 79-1601, 79-1606, and 85-607, Reissue Revised
9 Statutes of Nebraska; to change provisions relating to
10 exempt schools and students, residency, the enrollment
11 option program, student files, qualifications of members
12 of the State Board of Education, transportation, reports,
13 contracts for instruction, certificate fees, the Tax
14 Equity and Educational Opportunities Support Act, school

1 tax levies, modifications, the Special Education Act,
2 educational service units, and certain college admissions
3 as prescribed; to harmonize provisions; to eliminate
4 the Nebraska Equal Opportunity for Displaced Homemakers
5 Act and provisions relating to the Diagnostic Resources
6 Center at Cozad; to repeal the original sections; and
7 to outright repeal sections 48-1301, 48-1302, 48-1303,
8 48-1304, 48-1305, 48-1306, 48-1309, 79-1168, 79-1169,
9 79-1170, 79-1171, 79-1172, 79-1173, 79-1174, 79-1175,
10 79-1176, 79-1177, 79-1178, and 79-1241, Reissue Revised
11 Statutes of Nebraska.

12 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-518, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-518 For purposes of sections 13-518 to 13-522:

4 (1) Allowable growth means (a) for governmental units
5 other than community colleges, the percentage increase in taxable
6 valuation in excess of the base limitation established under
7 section 77-3446, if any, due to improvements to real property as
8 a result of new construction, additions to existing buildings,
9 any improvements to real property which increase the value of
10 such property, and any increase in valuation due to annexation
11 and any personal property valuation over the prior year and (b)
12 for community colleges, (i) for fiscal years prior to fiscal year
13 2003-04 and after fiscal year 2004-05 until fiscal year 2007-08,
14 the percentage increase in excess of the base limitation, if
15 any, in full-time equivalent students from the second year to
16 the first year preceding the year for which the budget is being
17 determined, (ii) for fiscal year 2003-04 and fiscal year 2004-05,
18 the percentage increase in full-time equivalent students from the
19 second year to the first year preceding the year for which the
20 budget is being determined, and (iii) for fiscal year 2007-08 and
21 each fiscal year thereafter, community college areas may exceed the
22 base limitation to equal base revenue need calculated pursuant to
23 section 85-2223;

24 (2) Capital improvements means (a) acquisition of real
25 property or (b) acquisition, construction, or extension of any

1 improvements on real property;

2 (3) Governing body has the same meaning as in section
3 13-503;

4 (4) Governmental unit means every political subdivision
5 which has authority to levy a property tax or authority to
6 request levy authority under section 77-3443 except sanitary and
7 improvement districts which have been in existence for five years
8 or less and school districts;

9 (5) Qualified sinking fund means a fund or funds
10 maintained separately from the general fund to pay for acquisition
11 or replacement of tangible personal property with a useful life of
12 five years or more which is to be undertaken in the future but
13 is to be paid for in part or in total in advance using periodic
14 payments into the fund. The term includes sinking funds under
15 subdivision (13) of section 35-508 for firefighting and rescue
16 equipment or apparatus;

17 (6) Restricted funds means (a) property tax, excluding
18 any amounts refunded to taxpayers, (b) payments in lieu of property
19 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)
20 state aid, (f) transfers of surpluses from any user fee, permit
21 fee, or regulatory fee if the fee surplus is transferred to fund a
22 service or function not directly related to the fee and the costs
23 of the activity funded from the fee, (g) any funds excluded from
24 restricted funds for the prior year because they were budgeted for
25 capital improvements but which were not spent and are not expected

1 to be spent for capital improvements, (h) the tax provided in
2 sections 77-27,223 to 77-27,227 beginning in the second fiscal year
3 in which the county will receive a full year of receipts, and (i)
4 any excess tax collections returned to the county under section
5 77-1776; and

6 (7) State aid means:

7 (a) For all governmental units, state aid paid pursuant
8 to sections 60-3,202 and 77-3523;

9 (b) For municipalities, state aid to municipalities
10 paid pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190,
11 77-27,136, and 77-27,139.04 and insurance premium tax paid to
12 municipalities;

13 (c) For counties, state aid to counties paid pursuant
14 to sections 39-2501 to 39-2520, 47-119.01, 60-3,184 to 60-3,190,
15 77-27,136, and 77-3618, insurance premium tax paid to counties,
16 and reimbursements to counties from funds appropriated pursuant to
17 section 29-3933;

18 (d) For community colleges, state aid to community
19 colleges paid under the Community College Foundation and
20 Equalization Aid Act;

21 (e) For natural resources districts, state aid to natural
22 resources districts paid pursuant to section 77-27,136;

23 (f) For educational service units, state aid appropriated
24 under ~~section 79-1241~~, sections 79-1241.01 to 79-1241.03; and

25 (g) For local public health departments as defined in

1 section 71-1626, state aid as distributed under section 71-1628.08.

2 Sec. 2. Section 43-2007, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 43-2007 (1) Upon notification by the patrol of a missing
5 person, any school in which the missing person is currently or was
6 previously enrolled shall flag the school records of such person
7 in such school's possession. The school shall report immediately
8 any request concerning a flagged record or any knowledge of the
9 whereabouts of the missing person.

10 (2) Upon enrollment of a student for the first time
11 in a public school district or private school system, the school
12 of enrollment shall notify in writing the person enrolling the
13 student that within thirty days he or she must provide either (a)
14 a certified copy of the student's birth certificate or (b) other
15 reliable proof of the student's identity and age accompanied by an
16 affidavit explaining the inability to produce a copy of the birth
17 certificate.

18 (3) ~~The parent or guardian of a child~~ Upon enrollment
19 of a student who is receiving his or her education in a ~~home~~ an
20 exempt school subject to sections 79-1601 to 79-1607, the parent
21 or guardian of such student shall, ~~not later than October 1 of the~~
22 ~~first year of the child's attendance at the home school,~~ provide
23 to the Commissioner of Education either (a) a certified copy of
24 the ~~child's~~ student's birth certificate or (b) other reliable
25 proof of the ~~child's~~ student's identity and age accompanied by an

1 affidavit explaining the inability to produce a copy of the birth
2 certificate.

3 (4) Upon failure of the person, parent, or guardian to
4 comply with subsection (2) or (3) of this section, the school
5 or Commissioner of Education shall notify such person, parent, or
6 guardian in writing that unless he or she complies within ten
7 days the matter shall be referred to the local law enforcement
8 agency for investigation. If compliance is not obtained within
9 such ten-day period, the school or commissioner shall immediately
10 report such matter. Any affidavit received pursuant to subsection
11 (2) or (3) of this section that appears inaccurate or suspicious
12 in form or content shall be reported immediately to the local law
13 enforcement agency by the school or commissioner.

14 (5) Any school requested to forward a copy of a
15 transferred student's record shall not forward a copy of such
16 record to the requesting school if the record has been flagged
17 pursuant to subsection (1) of this section. If such record has been
18 flagged, the school to whom such request is made shall notify the
19 local law enforcement agency of the request and that such student
20 is a reported missing person.

21 Sec. 3. Section 60-658, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 60-658 School bus shall mean any motor vehicle which
24 complies with the color and identification requirements as provided
25 in the laws of this state or set forth in the 1990 Revised Edition

1 ~~of the National Standards for School Buses and National Standards~~
2 ~~for School Bus Operations,~~ available from the National Safety
3 ~~Council,~~ general design, equipment, and color requirements adopted
4 and promulgated pursuant to subdivision (13) of section 79-318 and
5 which is used to transport ~~children~~ students to or from school
6 or in connection with school activities but shall not include
7 buses operated by common carriers in urban transportation of school
8 ~~children.~~ students.

9 Sec. 4. Section 79-233, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-233 For purposes of sections 79-232 to 79-246:

12 (1) Enrollment option program means the program
13 established in section 79-234;

14 (2) Option school district means the public school
15 district that an option student chooses to attend instead of
16 his or her resident school district;

17 (3) Option student means a student that has chosen to
18 attend an option school district, including a student who resides
19 in a learning community and who has chosen to attend an option
20 school district in such learning community prior to the effective
21 date of the establishment of such learning community, but not
22 including a student who resides in a learning community and who
23 enrolls pursuant to section 79-2110 in another school district in
24 such learning community;

25 (4) Resident school district means the public school

1 district in which a student resides or the school district in
2 which the student is admitted as a resident of the school district
3 pursuant to section 79-215; and

4 (5) Siblings means all children residing in the same
5 household on a permanent basis who have the same mother or father
6 or who are stepbrother or stepsister to each other.

7 Sec. 5. Section 79-234, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-234 (1) An enrollment option program is hereby
10 established to enable any kindergarten through twelfth grade
11 Nebraska student to attend a school in a Nebraska public school
12 district in which the student does not reside subject to the
13 limitations prescribed in section 79-238. The option shall be
14 available only once to each student prior to graduation unless
15 (a) the student relocates to a different resident school district,
16 (b) the option school district merges with another district, (c)
17 the option school district is a Class I district, (d) the option
18 would allow the student to continue current enrollment in a school
19 district, or (e) the option would allow the student to enroll in
20 a school district in which the student was previously enrolled as
21 a resident student. ~~The option student shall be given the option~~
22 ~~to attend school in another district at the time of relocation or~~
23 ~~merger or upon completion of the grades offered at the Class I~~
24 ~~district.~~ In the case of an event described in subdivision (1)(a)
25 or (b) of this section, the student's parent or guardian shall

1 submit an application to the new option school district within
2 thirty days after the date of relocation or the effective date of
3 the merger. This subsection does not relieve a parent or guardian
4 from the compulsory attendance requirements in section 79-201
5 during the pendency of such application or approval.

6 (2) The program shall not apply to ~~(a)~~ any student
7 who resides in a Class I district which has not affiliated and
8 which contracts or has contracted in either or both of the two
9 prior school years with another district or districts in such
10 student's grade level pursuant to section 79-598 or ~~(b)~~ any student
11 who resides in a district which has entered into an annexation
12 agreement pursuant to section 79-473, except that such student may
13 transfer to another district which accepts option students.

14 Sec. 6. Section 79-237, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-237 (1) For a student to attend school in an option
17 school district, the student's parent or legal guardian shall
18 submit an application to the school board of the option school
19 district between September 1 and March 15 for enrollment during
20 the following and subsequent school years. Applications submitted
21 after March 15 shall be accompanied by a written release contain
22 a release approval from the resident school district on the
23 application form prescribed and furnished by the State Department
24 of Education pursuant to subsection (6) of this section. A district
25 may not accept or approve any applications submitted after such

1 date without such a release approval. The option school district
2 shall provide the resident school district with the name of the
3 applicant on or before April 1 or, in the case of an application
4 submitted after March 15, within sixty days after submission. The
5 option school district shall notify, in writing, the parent or
6 legal guardian of the student, ~~and~~ the resident school district,
7 and the State Department of Education whether the application is
8 accepted or rejected on or before April 1 or, in the case of
9 an application submitted after March 15, within sixty days after
10 submission.

11 (2) Applications for students who do not actually attend
12 the option school district may be withdrawn in good standing upon
13 mutual agreement by both the resident and option school districts.

14 (3) No option student shall attend an option school
15 district for less than one school year unless the student relocates
16 to a different resident school district, completes requirements for
17 graduation prior to the end of his or her senior year, transfers
18 to a private or parochial school, or upon mutual written agreement
19 of the resident and option school districts cancels the enrollment
20 option and returns to the resident school district.

21 (4) Except as provided in subsection (3) of this section,
22 the option student shall attend the option school district until
23 graduation unless the student relocates in a different resident
24 school district, transfers to a private or parochial school, or
25 chooses to return to the resident school district.

1 (5) In each case of cancellation pursuant to subsections
2 (3) and (4) of this section, the student's parent or legal guardian
3 shall ~~notify~~ provide written notification to the school board
4 of the option school district, ~~and~~ the resident school district,
5 and the department ~~by March 15 for automatic approval for the~~
6 ~~following school year,~~ on forms prescribed and furnished by the
7 department under subsection (6) of this section in advance of such
8 cancellation.

9 (6) The application and cancellation forms shall be
10 prescribed and furnished by the State Department of Education.

11 (7) An option student who subsequently chooses to attend
12 a private or parochial school shall be automatically accepted to
13 return to either the resident school district or option school
14 district upon the completion of the grade levels offered at the
15 private or parochial school. If such student chooses to return to
16 the option school district, the student's parent or legal guardian
17 shall submit another application to the school board of the option
18 school district which shall be automatically accepted, and the
19 deadlines prescribed in this section shall be waived.

20 Sec. 7. Section 79-238, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-238 (1) Except as provided in section 79-240, the
23 school board of the option school district shall adopt by
24 resolution specific standards for acceptance and rejection of
25 applications. Standards may include the capacity of a program,

1 class, grade level, or school building or the availability of
2 appropriate special education programs operated by the option
3 district. Capacity shall be determined by setting a maximum number
4 of option students that a district will accept in any program,
5 class, grade level, or school building, based upon available
6 staff, facilities, projected enrollment of resident students,
7 projected number of students with which the option district
8 will contract based on existing contractual arrangements, and
9 availability of appropriate special education programs. The school
10 board of the option school district may by resolution declare
11 a program, a class, or a school unavailable to option students
12 due to lack of capacity. Standards shall not include previous
13 academic achievement, athletic or other extracurricular ability,
14 disabilities, proficiency in the English language, or previous
15 disciplinary proceedings except as provided in section 79-266.01.
16 False or substantively misleading information submitted by a parent
17 or guardian on an application to an option school district may
18 be cause for the option school district to reject a previously
19 accepted application if the rejection occurs prior to the student's
20 attendance as an option student.

21 (2) The school board of every school district shall also
22 adopt standards and conditions for acceptance or rejection of a
23 request for release of a resident student submitting an application
24 to an option district after March 15 under subdivision (1) of
25 section 79-237.

1 ~~(2)~~ (3) Any option school district shall give first
2 priority for enrollment to siblings of option students, except that
3 the option school district shall not be required to accept the
4 sibling of an option student if the district is at capacity except
5 as provided in ~~subsections (2) and (4)~~ subsection (1) of section
6 79-240.

7 Sec. 8. Section 79-239, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-239 If an application is rejected by the option school
10 district or ~~by~~ if the resident school district rejects a request
11 for release under subsection (1) of section 79-237, the rejecting
12 school district shall ~~state in the notification the reason for the~~
13 ~~rejection.~~ provide written notification to the parent or guardian
14 stating the reasons for the rejection and the process for appealing
15 such rejection to the State Board of Education. Such notification
16 shall be sent by certified mail. The parent or legal guardian may
17 appeal a rejection to the State Board of Education by filing a
18 written request, together with a copy of the rejection notice,
19 with the State Board of Education. Such request and copy of the
20 notice must be received by the board within thirty days after the
21 date the notification of the rejection was received by the parent
22 or legal guardian. Such hearing shall be held in accordance with
23 the Administrative Procedure Act and shall determine whether the
24 procedures of sections 79-234 to 79-241 have been followed.

25 Sec. 9. Section 79-240, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-240 ~~(1)~~ Upon agreement of the school boards or boards
3 of education of the resident school district and the option school
4 district, the deadlines for application and approval or rejection
5 prescribed in section 79-237 may be waived.

6 ~~(2)~~ (1) The application of a student who relocates in a
7 different school district but wants to continue attending his or
8 her original resident school district and who has been enrolled in
9 his or her original resident school district for the immediately
10 preceding two years shall be automatically accepted, and the
11 deadlines prescribed in section 79-237 shall be waived.

12 ~~(3)~~ (2) The application of an option student who
13 relocates in a different school district but wants to continue
14 attending the option school district shall be automatically
15 accepted, and the deadlines prescribed in section 79-237 shall be
16 waived.

17 ~~(4)~~ The sibling of any option student who has, before
18 April 6, 1996, been accepted as an option student in the district
19 in which the option student is enrolled shall be eligible to
20 continue attending the option school district as an option student
21 as provided in section 79-234.

22 Sec. 10. Section 79-2,104, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-2,104 (1) Any student in any public school or
25 his or her parents, guardians, teachers, counselors, or school

1 administrators shall have access to the school's files or records
2 maintained concerning such student, including the right to inspect,
3 review, and obtain copies of such files or records. No other person
4 shall have access to such files or records, ~~and the~~ except (a) when
5 a parent, guardian, or student of majority age provides written
6 consent or (b) as provided in subsection (3) of this section. The
7 contents of such files or records shall not be divulged in any
8 manner to any unauthorized person. All such files or records shall
9 be maintained so as to separate academic and disciplinary matters,
10 and all disciplinary material shall be removed and destroyed after
11 a student's continuous absence from the school for a period of
12 three years.

13 (2) Each public school may establish a schedule of fees
14 representing a reasonable cost of reproduction for copies of a
15 student's files or records for the parents or guardians of such
16 student, except that the imposition of a fee shall not prevent
17 parents of students from exercising their right to inspect and
18 review the students' files or records and no fee shall be charged
19 to search for or retrieve any student's files or records.

20 ~~(3)~~ (3)(a) This section does not preclude authorized
21 representatives of ~~(a)~~ (i) auditing officials of the United
22 States, ~~(b)~~ (ii) auditing officials of this state, or ~~(e)~~
23 (iii) state educational authorities from having access to student
24 or other records which are necessary in connection with the
25 audit and evaluation of federally supported or state-supported

1 education programs or in connection with the enforcement of
2 legal requirements which relate to such programs, except that,
3 when collection of personally identifiable data is specifically
4 authorized by law, any data collected by such officials with
5 respect to individual students shall be protected in a manner
6 which shall not permit the personal identification of students
7 and their parents by other than the officials listed in this
8 subsection. Personally identifiable data shall be destroyed when no
9 longer needed for such audit, evaluation, or enforcement of legal
10 requirements.

11 (b) This section does not preclude or prohibit the
12 disclosure of student records to any other person or entity which
13 may be allowed to have access pursuant to the federal Family
14 Educational Rights and Privacy Act of 1974, 20 U.S.C. 1232g,
15 as such act existed on January 1, 2009, and regulations adopted
16 thereunder.

17 Sec. 11. Section 79-319, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-319 The State Board of Education has the authority to
20 (1) provide for the education of and approve special educational
21 facilities and programs provided in the public schools for children
22 with disabilities, (2) act as the state's authority for the
23 approval of all types of veterans educational programs and have
24 jurisdiction over the administration and supervision of on-the-job
25 and apprenticeship training, on-the-farm training, and flight

1 training programs for veterans which are financially supported
2 in whole or in part by the federal government, (3) supervise and
3 administer any educational or training program established within
4 the state by the federal government, except postsecondary education
5 in approved colleges, (4) coordinate educational activities in the
6 state that pertain to elementary and secondary education and such
7 other educational programs as are placed by statute under the
8 jurisdiction of the board, (5) receive and distribute according to
9 law any money, commodities, goods, or services made available to
10 the board from the state or federal government or from any other
11 source and distribute money in accordance with the terms of any
12 grant received, including the distribution of money from grants by
13 the federal government to schools, preschools, day care centers,
14 day care homes, nonprofit agencies, and political subdivisions of
15 the state or institutions of learning not owned or exclusively
16 controlled by the state or a political subdivision thereof, so
17 long as no public funds of the state, any political subdivision,
18 or any public corporation are added to such federal grants, (6)
19 publish, from time to time, directories of schools and educators,
20 pamphlets, curriculum guides, rules and regulations, handbooks on
21 school constitution and other matters of interest to educators, and
22 similar publications. Such publications may be distributed without
23 charge to schools and school officials within this state or may be
24 sold at a price not less than the actual cost of printing. The
25 proceeds of such sale shall be remitted to the State Treasurer for

1 credit to the State Department of Education Cash Fund which may
2 be used by the State Department of Education for the purpose of
3 printing and distributing further such publications on a nonprofit
4 basis. The board shall furnish eight copies of such publications
5 to the Nebraska Publications Clearinghouse, and (7) when necessary
6 for the proper administration of the functions of the department
7 and with the approval of the Governor and the Department of
8 Administrative Services, rent or lease space outside the State
9 Capitol.

10 Sec. 12. Section 79-528, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-528 (1)(a) On or before July 20 in all school
13 districts, the superintendent ~~or head administrator~~ shall file
14 with the State Department of Education a report ~~under oath~~ showing
15 the number of children from five through eighteen years of age
16 belonging to the school district according to the census taken as
17 provided in sections 79-524 and 79-578. ~~The report shall identify~~
18 ~~the number of boys and the number of girls in each of the~~
19 ~~respective age categories.~~ On or before July 20, school districts
20 that are members of learning communities shall provide the learning
21 community coordinating council with a copy of the report filed
22 with the department. On or before August 1, each learning community
23 coordinating council shall file with the department a report
24 showing the number of children from five through eighteen years
25 of age belonging to the member school districts according to the

1 school district reports filed with the department.

2 (b) Each Class I school district which is part of a Class
3 VI school district offering instruction (i) in grades kindergarten
4 through five shall report children from five through ten years
5 of age, (ii) in grades kindergarten through six shall report
6 children from five through eleven years of age, and (iii) in grades
7 kindergarten through eight shall report children from five through
8 thirteen years of age.

9 (c) Each Class VI school district offering instruction
10 (i) in grades six through twelve shall report children who are
11 eleven through eighteen years of age, (ii) in grades seven through
12 twelve shall report children who are twelve through eighteen years
13 of age, and (iii) in grades nine through twelve children who are
14 fourteen through eighteen years of age.

15 (d) Each Class I district which has affiliated in whole
16 or in part shall report children from five through thirteen years
17 of age.

18 (e) Each Class II, III, IV, or V district shall report
19 children who are fourteen through eighteen years of age residing in
20 Class I districts or portions thereof which have affiliated with
21 such district.

22 (f) The board of any district neglecting to take and
23 report the enumeration shall be liable to the school district for
24 all school money which such district may lose by such neglect.

25 (2) On or before June 30 the superintendent ~~or~~ head

1 ~~administrator~~ of each school district shall file with the
2 Commissioner of Education a report ~~under oath~~ described as an
3 end-of-the-school-year annual statistical summary showing (a) the
4 number of children attending school during the year under five
5 years of age, (b) the length of time the school has been taught
6 during the year by a qualified teacher, (c) the length of time
7 taught by each substitute teacher, and (d) such other information
8 as the Commissioner of Education directs. On or before June 30,
9 school districts that are members of learning communities shall
10 also provide the learning community coordinating council with a
11 copy of the report filed with the commissioner. On or before
12 July 15, each learning community coordinating council shall file
13 with the commissioner an end-of-the-school-year annual statistical
14 summary for the learning community based on the member school
15 districts according to the school district reports filed with the
16 commissioner.

17 (3)(a) On or before November 1 the superintendent ~~or~~
18 ~~head administrator~~ of each school district shall submit to the
19 Commissioner of Education, ~~to be filed in his or her office,~~
20 ~~a report under oath~~ a report described as the annual financial
21 report showing (i) the amount of money received from all sources
22 during the year and the amount of money expended by the school
23 district during the year, (ii) the amount of bonded indebtedness,
24 (iii) such other information as shall be necessary to fulfill
25 the requirements of the Tax Equity and Educational Opportunities

1 Support Act and section 79-1114, and (iv) such other information as
2 the Commissioner of Education directs.

3 (b) On or before November 1, school districts that are
4 members of learning communities shall also provide the learning
5 community coordinating council with a copy of the report submitted
6 to the commissioner. On or before November 15, each learning
7 community coordinating council shall submit to the commissioner,
8 to be filed in his or her office, a report described as the
9 annual financial report showing (i) the aggregate amount of money
10 received from all sources during the year for all member school
11 districts and the aggregate amount of money expended by member
12 school districts during the year, (ii) the aggregate amount of
13 bonded indebtedness for all member school districts, (iii) such
14 other aggregate information as shall be necessary to fulfill
15 the requirements of the Tax Equity and Educational Opportunities
16 Support Act and section 79-1114 for all member school districts,
17 and (iv) such other aggregate information as the Commissioner of
18 Education directs for all member school districts.

19 (4)(a) On or before October 15 of each year, the
20 superintendent ~~or head administrator~~ of each school district shall
21 ~~deliver to the department~~ file with the commissioner the fall
22 school district membership report, which report shall include the
23 number of children from birth through twenty years of age enrolled
24 in the district on the last Friday in September of a given school
25 year. The report shall enumerate (i) students by grade level, (ii)

1 school district levies and total assessed valuation for the current
2 fiscal year, and (iii) such other information as the Commissioner
3 of Education directs.

4 (b) On or before October 15 of each year, school
5 districts that are members of learning communities shall also
6 provide the learning community coordinating council with a copy of
7 the report delivered to the department. On or before October 31
8 of each year, each learning community coordinating council shall
9 deliver to the department the fall learning community membership
10 report, which report shall include the aggregate number of children
11 from birth through twenty years of age enrolled in the member
12 school districts on the last Friday in September of a given
13 school year for all member school districts. The report shall
14 enumerate (i) the aggregate students by grade level for all member
15 school districts, (ii) learning community levies and total assessed
16 valuation for the current fiscal year, and (iii) such other
17 information as the Commissioner of Education directs.

18 (c) When any school district or learning community
19 fails to submit its fall membership report by November 1, the
20 commissioner shall, after notice to the district and an opportunity
21 to be heard, direct that any state aid granted pursuant to the
22 Tax Equity and Educational Opportunities Support Act be withheld
23 until such time as the report is received by the department. In
24 addition, the commissioner shall direct the county treasurer to
25 withhold all school money belonging to the school district or

1 learning community until such time as the commissioner notifies the
2 county treasurer of receipt of such report. The county treasurer
3 shall withhold such money. For school districts that are members
4 of learning communities, a determination of school money belonging
5 to the district shall be based on the proportionate share of state
6 aid and property tax receipts allocated to the school district
7 by the learning community coordinating council, and the treasurer
8 of the learning community coordinating council shall withhold any
9 such school money in the possession of the learning community from
10 the school district. If a school district that is a member of
11 a learning community fails to provide a copy of the report to
12 the learning community coordinating council on or before October
13 15, the learning community coordinating council shall complete the
14 fall learning community membership report with information from the
15 reports received from other member school districts.

16 Sec. 13. Section 79-569, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-569 The president of the school board of a Class I,
19 II, III, IV, or VI school district shall: (1) Preside at all
20 meetings of the district; (2) countersign all orders upon the
21 treasury for money to be disbursed by the district and all warrants
22 of the secretary on the county treasurer for money raised for
23 district purposes or apportioned to the district by the county
24 treasurer; (3) administer the oath to the secretary and treasurer
25 of the district when such an oath is required by law in the

1 transaction of the business of the district; and (4) perform such
2 other duties as may be required by law of the president of the
3 board. He or she is entitled to vote on any issue that may come
4 before any meeting. If the president of the school board of a
5 Class I school district is absent from any district meeting, the
6 legal voters present may elect a suitable person to preside at the
7 meeting.

8 Sec. 14. Section 79-598, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-598 (1) The school board of any public school district
11 in this state, when authorized by a majority of the votes cast
12 at any annual or special meeting, shall (a) contract with the
13 board of any neighboring public school district or districts for
14 the instruction of all or any part of the pupils residing in the
15 first named district in the school or schools maintained by the
16 neighboring public school district or districts for a period of
17 time not to exceed ~~three~~ two years and (b) make provision for
18 the transportation of such pupils to the school or schools of the
19 neighboring public school district or districts.

20 (2) The school board of any public school district may
21 also, when petitioned to do so by at least two-thirds of the
22 parents residing in the district having children of school age
23 who will attend school under the contract plan, (a) contract with
24 the board of any neighboring public school district or districts
25 for the instruction of all or any part of the pupils residing in

1 the first named district in the school or schools maintained by
2 the neighboring public school district or districts for a period
3 of time not to exceed ~~three~~ two years and (b) make provision for
4 the transportation of such pupils to the school or schools of the
5 neighboring public school district or districts.

6 (3) The contract price for instruction referred to in
7 subsections (1) and (2) of this section shall be the cost per
8 pupil for the immediately preceding school year or the current
9 year, whichever appears more practical as determined by the board
10 of the district which accepts the pupils for instruction. The
11 cost per pupil shall be determined by dividing the sum of
12 the operational cost and debt service expense of the accepting
13 district, except retirement of debt principal, plus three percent
14 of the insurable or present value of the school plant and equipment
15 of the accepting district, by the average daily membership of
16 pupils in the accepting district. Payment of the contract price
17 shall be made in equal installments at the beginning of the first
18 and second semesters.

19 (4) All the contracts referred to in subsections (1) and
20 (2) of this section shall be in writing, and copies of all such
21 contracts shall be filed in the office of the superintendent of the
22 primary high school district on or before August 15 of each year.
23 School districts thus providing instruction for their children in
24 neighboring districts shall be considered as maintaining a school
25 as required by law. The teacher of the school providing the

1 instruction shall keep a separate record of the attendance of all
2 pupils from the first named district and make a separate report to
3 the secretary of that district. The board of every sending district
4 contracting under this section shall enter into contracts with
5 school districts of the choice of the parents of the children to
6 be educated under the contract plan. Any school district failing to
7 comply with this section shall not be paid any funds from the state
8 apportionment of school funds while such violation continues.

9 (5) The State Committee for the Reorganization of School
10 Districts may dissolve any district (a) failing to comply with
11 this section, (b) in which the votes cast at an annual or
12 special election on the question of contracting with a neighboring
13 district are evenly divided, or (c) in which the governing body
14 of the district is evenly divided in its vote on the question of
15 contracting pursuant to subsection (2) of this section. The state
16 committee shall dissolve and attach to a neighboring district or
17 districts any school district which, for five consecutive years,
18 contracts for the instruction of its pupils, except that when such
19 dissolution will create extreme hardships on the pupils or the
20 district affected, the State Board of Education may, on application
21 by the school board of the district, waive the requirements of
22 this subsection. The dissolution of any school district pursuant to
23 this section shall be effected in the manner prescribed in section
24 79-498. ~~School districts that have contracted for instruction~~
25 ~~for two or more consecutive years shall, before reopening the~~

1 ~~schoolhouse within the district,~~ have an enrollment of at least
2 five pupils whose parents or legal guardians are legal voters of
3 the school district and shall apply to the state committee for
4 approval to reopen that schoolhouse for school use.

5 Sec. 15. Section 79-606, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-606 When any vehicle with a manufacturer's rated
8 seating capacity of eleven or more passengers used for
9 transportation of ~~children~~ students is sold and used for any other
10 purpose than for transportation of ~~school children,~~ students,
11 such vehicle shall be painted a distinct color other than that
12 prescribed by the State Board of Education and the stop arms
13 and system of alternately flashing warning signal lights on
14 such vehicle shall be removed. It shall be the purchaser's
15 responsibility to see that the modifications required by this
16 section are made. Any person violating this section shall be guilty
17 of a Class V misdemeanor and, upon conviction thereof, be fined not
18 less than twenty-five dollars nor more than one hundred dollars.

19 Sec. 16. Section 79-608, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-608 (1) Any person, before operating a school bus,
22 including any school bus which transports ~~pupils~~ students by
23 direct contract with the ~~pupils~~ students or their parents and not
24 owned by or under contract with the school district or nonpublic
25 school, ~~before the opening of a school term or before operating~~

1 a school bus, shall each year shall submit himself or herself
2 to (a) an examination, to be conducted by a driver's license
3 examiner of the Department of Motor Vehicles, to determine his
4 or her qualifications to operate such bus and (b) an examination
5 by a licensed physician to determine whether or not he or she
6 meets the physical and mental standards established pursuant to
7 section 79-607 and shall furnish to the school board or board of
8 education or the governing authority of a nonpublic school and
9 to the Director of Motor Vehicles a written report of each such
10 examination on standard forms prescribed by the State Department of
11 Education, signed by the person conducting the same, showing that
12 he or she is qualified to operate a school bus and that he or she
13 meets the physical and mental standards. If the Director of Motor
14 Vehicles determines that the person is so qualified and meets such
15 standards, the director shall issue to the person a special school
16 bus operator's permit which shall expire each year on the date of
17 birth of the holder in such form as the director prescribes. shall
18 be issued to him or her. No contract shall be entered into until
19 such permit has been received and exhibited to the school board
20 ~~or board of education~~ or the governing authority of a nonpublic
21 school. The holder of such permit shall have it on his or her
22 person at all times while operating a school bus.

23 (2) It shall be unlawful for any person operating a
24 school bus to be or remain on duty for a longer period than
25 sixteen consecutive hours. When any person operating a bus has been

1 continuously on duty for sixteen hours, he or she shall be relieved
2 and not be permitted or required to again go on duty without
3 having at least ten consecutive hours' rest off duty, and no such
4 operator, who has been on duty sixteen hours in the aggregate
5 in any twenty-four-hour period, shall be required or permitted to
6 continue or again go on duty without having had at least eight
7 consecutive hours off duty.

8 (3) Any person violating this section shall be guilty of
9 a Class V misdemeanor. His or her contract with the school district
10 shall be canceled as provided in section 79-607.

11 Sec. 17. Section 79-611, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-611 (1) The school board of any school district
14 shall ~~either~~ provide free transportation, partially provide free
15 transportation, or pay an allowance for transportation in lieu of
16 free transportation as follows:

17 (a) When a student attends an elementary school in his
18 or her own district and lives more than four miles from the public
19 schoolhouse in such district as measured by the shortest route that
20 must actually and necessarily be traveled by motor vehicle to reach
21 the student's residence;

22 (b) When a student is required to attend an elementary
23 school outside of his or her own district and lives more than four
24 miles from such elementary school as measured by the shortest route
25 that must actually and necessarily be traveled by motor vehicle to

1 reach the student's residence;

2 (c) When a student attends a secondary school in his or
3 her own Class II or Class III school district and lives more than
4 four miles from the public schoolhouse as measured by the shortest
5 route that must actually and necessarily be traveled by motor
6 vehicle to reach the student's residence. This subdivision does not
7 apply when one or more Class I school districts merge with a Class
8 VI school district to form a new Class II or III school district on
9 or after January 1, 1997; and

10 (d) When a student, other than a student in grades
11 ten through twelve in a Class V district, attends an elementary
12 or junior high school in his or her own Class V district and
13 lives more than four miles from the public schoolhouse in such
14 district as measured by the shortest route that must actually and
15 necessarily be traveled by motor vehicle to reach the student's
16 residence.

17 (2)(a) The school board of any school district that is
18 a member of a learning community shall provide free transportation
19 for a student who resides in such learning community and attends
20 school in such school district if (i) the student is transferring
21 pursuant to the open enrollment provisions of section 79-2110,
22 qualifies for free or reduced-price lunches, and lives more than
23 one mile from the school to which he or she transfers, (ii)
24 the student is transferring pursuant to such open enrollment
25 provisions, is a student who contributes to the socioeconomic

1 diversity of enrollment at the school building he or she attends,
2 and lives more than one mile from the school to which he or she
3 transfers, (iii) the student is attending a focus school or program
4 and lives more than one mile from the school building housing the
5 focus school or program, or (iv) the student is attending a magnet
6 school or program and lives more than one mile from the magnet
7 school or the school housing the magnet program.

8 (b) For purposes of this subsection, student who
9 contributes to the socioeconomic diversity of enrollment at the
10 school building he or she attends has the definition found in
11 section 79-2110. This subsection does not prohibit a school
12 district that is a member of a learning community from providing
13 transportation to any intradistrict student.

14 (3) The transportation allowance which may be paid to
15 the parent, custodial parent, or guardian of students qualifying
16 for free transportation pursuant to subsection (1) or (2) of this
17 section shall equal two hundred eighty-five percent of the mileage
18 rate provided in section 81-1176, multiplied by each mile actually
19 and necessarily traveled, on each day of attendance, beyond which
20 the one-way distance from the residence of the student to the
21 schoolhouse exceeds three miles.

22 (4) Whenever students from more than one family travel to
23 school in the same vehicle, the transportation allowance prescribed
24 in subsection (3) of this section shall be payable as follows:

25 (a) To the parent, custodial parent, or guardian

1 providing transportation for students from other families, one
2 hundred percent of the amount prescribed in subsection (3) of
3 this section for the transportation of students of such parent's,
4 custodial parent's, or guardian's own family and an additional
5 five percent for students of each other family not to exceed a
6 maximum of one hundred twenty-five percent of the amount determined
7 pursuant to subsection (3) of this section; and

8 (b) To the parent, custodial parent, or guardian not
9 providing transportation for students of other families, two
10 hundred eighty-five percent of the mileage rate provided in section
11 81-1176 multiplied by each mile actually and necessarily traveled,
12 on each day of attendance, from the residence of the student to
13 the pick-up point at which students transfer to the vehicle of a
14 parent, custodial parent, or guardian described in subdivision (a)
15 of this subsection.

16 (5) When a student who qualifies under the mileage
17 requirements of subsection (1) of this section lives more
18 than three miles from the location where the student must be
19 picked up and dropped off in order to access school-provided
20 free transportation, as measured by the shortest route
21 that must actually and necessarily be traveled by motor
22 vehicle between his or her residence and such location,
23 such school-provided transportation shall be deemed partially
24 provided free transportation. Schools partially providing free
25 transportation shall pay an allowance to the student's parent or

1 guardian equal to two hundred eighty-five percent of the mileage
2 rate provided in section 81-1176 multiplied by each mile actually
3 and necessarily traveled on each day of attendance, beyond which
4 the one-way distance from the residence of the student to the
5 location where the student must be picked up and dropped off
6 exceeds three miles.

7 ~~(5)~~ (6) The board may authorize school-provided
8 transportation to any student who does not qualify under the
9 mileage requirements of subsection (1) of this section and may
10 charge a fee to the parent or guardian of the student for such
11 service. An affiliated high school district may provide free
12 transportation or pay the allowance described in this section for
13 high school students residing in an affiliated Class I district. No
14 transportation payments shall be made to a family for mileage not
15 actually traveled by such family. The number of days the student
16 has attended school shall be reported monthly by the teacher to the
17 board of such public school district.

18 ~~(6)~~ (7) No more than one allowance shall be made to a
19 family irrespective of the number of students in a family being
20 transported to school. If a family resides in a Class I district
21 which is part of a Class VI district and has students enrolled in
22 any of the grades offered by the Class I district and in any of
23 the non-high-school grades offered by the Class VI district, such
24 family shall receive not more than one allowance for the distance
25 actually traveled when both districts are on the same direct travel

1 route with one district being located a greater distance from the
2 residence than the other. In such cases, the travel allowance shall
3 be prorated among the school districts involved.

4 ~~(7)~~ (8) No student shall be exempt from school attendance
5 on account of distance from the public schoolhouse.

6 Sec. 18. Section 79-1003, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-1003 For purposes of the Tax Equity and Educational
9 Opportunities Support Act:

10 (1) Adjusted general fund operating expenditures means
11 (a) for school fiscal years before school fiscal year 2007-08,
12 general fund operating expenditures as calculated pursuant to
13 subdivision (21) of this section minus the transportation allowance
14 and minus the special receipts allowance, (b) for school fiscal
15 year 2007-08, general fund operating expenditures as calculated
16 pursuant to subdivision (21) of this section minus the sum of
17 the transportation, special receipts, and distance education
18 and telecommunications allowances, (c) for school fiscal year
19 2008-09, the difference of the product of the general fund
20 operating expenditures as calculated pursuant to subdivision (21)
21 of this section multiplied by the cost growth factor calculated
22 pursuant to section 79-1007.10 minus the transportation allowance,
23 special receipts allowance, poverty allowance, limited English
24 proficiency allowance, distance education and telecommunications
25 allowance, elementary site allowance, elementary class size

1 allowance, summer school allowance, and focus school and program
2 allowance, (d) for school fiscal years 2009-10 through 2012-13,
3 the difference of the product of the general fund operating
4 expenditures as calculated pursuant to subdivision (21) of this
5 section multiplied by the cost growth factor calculated pursuant
6 to section 79-1007.10 minus the transportation allowance, special
7 receipts allowance, poverty allowance, limited English proficiency
8 allowance, distance education and telecommunications allowance,
9 elementary site allowance, elementary class size allowance, summer
10 school allowance, instructional time allowance, and focus school
11 and program allowance, and (e) for school fiscal year 2013-14
12 and each school fiscal year thereafter, the difference of the
13 product of the general fund operating expenditures as calculated
14 pursuant to subdivision (21) of this section multiplied by the
15 cost growth factor calculated pursuant to section 79-1007.10
16 minus the transportation allowance, special receipts allowance,
17 poverty allowance, limited English proficiency allowance, distance
18 education and telecommunications allowance, elementary site
19 allowance, summer school allowance, instructional time allowance,
20 and focus school and program allowance;

21 (2) Adjusted valuation means the assessed valuation of
22 taxable property of each local system in the state, adjusted
23 pursuant to the adjustment factors described in section 79-1016.
24 Adjusted valuation means the adjusted valuation for the property
25 tax year ending during the school fiscal year immediately preceding

1 the school fiscal year in which the aid based upon that value is
2 to be paid. For purposes of determining the local effort rate yield
3 pursuant to section 79-1015.01, adjusted valuation does not include
4 the value of any property which a court, by a final judgment from
5 which no appeal is taken, has declared to be nontaxable or exempt
6 from taxation;

7 (3) Allocated income tax funds means the amount of
8 assistance paid to a local system pursuant to section 79-1005.01 or
9 79-1005.02 as adjusted by the minimum levy adjustment pursuant to
10 section 79-1008.02;

11 (4) Average daily attendance of a student who resides on
12 Indian land means average daily attendance of a student who resides
13 on Indian land from the most recent data available on November 1
14 preceding the school fiscal year in which aid is to be paid;

15 (5) Average daily membership means the average daily
16 membership for grades kindergarten through twelve attributable to
17 the local system, as provided in each district's annual statistical
18 summary, and includes the proportionate share of students enrolled
19 in a public school instructional program on less than a full-time
20 basis;

21 (6) Base fiscal year means the first school fiscal year
22 following the school fiscal year in which the reorganization or
23 unification occurred;

24 (7) Board means the school board of each school district;

25 (8) Categorical funds means funds limited to a specific

1 purpose by federal or state law, including, but not limited to,
2 Title I funds, Title VI funds, federal vocational education funds,
3 federal school lunch funds, Indian education funds, Head Start
4 funds, and funds from the Education Innovation Fund;

5 (9) Consolidate means to voluntarily reduce the number of
6 school districts providing education to a grade group and does not
7 include dissolution pursuant to section 79-498;

8 (10) Department means the State Department of Education;

9 (11) District means any Class I, II, III, IV, V, or VI
10 school district;

11 (12) Ensuing school fiscal year means the school fiscal
12 year following the current school fiscal year;

13 (13) Equalization aid means the amount of assistance
14 calculated to be paid to a local system pursuant to sections
15 79-1007.11 to 79-1007.23, 79-1008.01 to 79-1022, and 79-1022.02;

16 (14) Fall membership means the total membership in
17 kindergarten through grade twelve attributable to the local system
18 as reported on the fall school district membership reports for each
19 district pursuant to section 79-528;

20 (15) Fiscal year means the state fiscal year which is the
21 period from July 1 to the following June 30;

22 (16) Formula students means:

23 (a) For school fiscal years prior to school fiscal year
24 2008-09, (i) for state aid certified pursuant to section 79-1022,
25 the sum of fall membership from the school fiscal year immediately

1 preceding the school fiscal year in which the aid is to be paid,
2 multiplied by the average ratio of average daily membership to fall
3 membership for the second school fiscal year immediately preceding
4 the school fiscal year in which aid is to be paid and the prior
5 two school fiscal years, plus qualified early childhood education
6 fall membership plus tuitioned students from the school fiscal year
7 immediately preceding the school fiscal year in which the aid is
8 to be paid and (ii) for final calculation of state aid pursuant to
9 section 79-1065, the sum of average daily membership plus qualified
10 early childhood education average daily membership plus tuitioned
11 students from the school fiscal year immediately preceding the
12 school fiscal year in which the aid was paid; and

13 (b) For school fiscal year 2008-09 and each school fiscal
14 year thereafter, (i) for state aid certified pursuant to section
15 79-1022, the sum of the product of fall membership from the school
16 fiscal year immediately preceding the school fiscal year in which
17 the aid is to be paid multiplied by the average ratio of average
18 daily membership to fall membership for the second school fiscal
19 year immediately preceding the school fiscal year in which the aid
20 is to be paid and the prior two school fiscal years plus sixty
21 percent of the qualified early childhood education fall membership
22 plus tuitioned students from the school fiscal year immediately
23 preceding the school fiscal year in which aid is to be paid minus
24 the product of the number of students enrolled in kindergarten that
25 is not full-day kindergarten from the fall membership multiplied by

1 0.5 and (ii) for final calculation of state aid pursuant to section
2 79-1065, the sum of average daily membership plus sixty percent of
3 the qualified early childhood education average daily membership
4 plus tuitioned students minus the product of the number of students
5 enrolled in kindergarten that is not full-day kindergarten from the
6 average daily membership multiplied by 0.5 from the school fiscal
7 year immediately preceding the school fiscal year in which aid was
8 paid;

9 (17) Free lunch and free milk student means a student
10 who qualified for free lunches or free milk from the most recent
11 data available on November 1 of the school fiscal year immediately
12 preceding the school fiscal year in which aid is to be paid;

13 (18) Full-day kindergarten means kindergarten offered by
14 a district for at least one thousand thirty-two instructional
15 hours;

16 (19) General fund budget of expenditures means the total
17 budget of disbursements and transfers for general fund purposes as
18 certified in the budget statement adopted pursuant to the Nebraska
19 Budget Act, except that for purposes of the limitation imposed in
20 section 79-1023 and the calculation pursuant to subdivision (2) of
21 section 79-1027.01, the general fund budget of expenditures does
22 not include any special grant funds, exclusive of local matching
23 funds, received by a district;

24 (20) General fund expenditures means all expenditures
25 from the general fund;

1 (21) General fund operating expenditures means:

2 (a) For state aid calculated for school fiscal years
3 prior to school fiscal year 2008-09, the total general fund
4 expenditures minus categorical funds, tuition paid, transportation
5 fees paid to other districts, adult education, summer school,
6 community services, redemption of the principal portion of general
7 fund debt service, retirement incentive plans, staff development
8 assistance, and transfers from other funds into the general fund
9 for the second school fiscal year immediately preceding the school
10 fiscal year in which aid is to be paid as reported on the annual
11 financial report prior to December 1 of the school fiscal year
12 immediately preceding the school fiscal year in which aid is to be
13 paid;

14 (b) For state aid calculated for school fiscal year
15 2008-09, as reported for the second school fiscal year immediately
16 preceding the school fiscal year in which aid is to be paid
17 on the annual financial report submitted prior to December
18 1 of the school fiscal year immediately preceding the school
19 fiscal year in which aid is to be paid, the total general
20 fund expenditures minus (i) the amount of all receipts to
21 the general fund, to the extent that such receipts are not
22 included in local system formula resources, from early childhood
23 education tuition, summer school tuition, educational entities as
24 defined in section 79-1201.01 for providing distance education
25 courses through the Educational Service Unit Coordinating Council

1 to such educational entities, private foundations, individuals,
2 associations, charitable organizations, the textbook loan program
3 authorized by section 79-734, and federal impact aid, (ii)
4 the amount of expenditures for categorical funds, tuition paid,
5 transportation fees paid to other districts, adult education,
6 community services, redemption of the principal portion of general
7 fund debt service, retirement incentive plans authorized by section
8 79-855, and staff development assistance authorized by section
9 79-856, and (iii) the amount of any transfers from the general fund
10 to any bond fund and transfers from other funds into the general
11 fund;

12 (c) For state aid calculated for school fiscal year
13 2009-10, as reported on the annual financial report for the second
14 school fiscal year immediately preceding the school fiscal year in
15 which aid is to be paid, ~~on the annual financial report submitted~~
16 ~~prior to December 1 of the school fiscal year immediately preceding~~
17 ~~the school fiscal year in which aid is to be paid,~~ the total
18 general fund expenditures minus (i) the amount of all receipts
19 to the general fund, to the extent that such receipts are not
20 included in local system formula resources, from early childhood
21 education tuition, summer school tuition, educational entities as
22 defined in section 79-1201.01 for providing distance education
23 courses through the Educational Service Unit Coordinating Council
24 to such educational entities, private foundations, individuals,
25 associations, charitable organizations, the textbook loan program

1 authorized by section 79-734, and federal impact aid, (ii)
2 the amount of expenditures for categorical funds, tuition paid,
3 transportation fees paid to other districts, adult education,
4 community services, redemption of the principal portion of general
5 fund debt service, retirement incentive plans authorized by section
6 79-855, and staff development assistance authorized by section
7 79-856, (iii) the amount of any transfers from the general fund to
8 any bond fund and transfers from other funds into the general fund,
9 and (iv) any legal expenses in excess of fifteen-hundredths of one
10 percent of the formula need for the school fiscal year in which the
11 expenses occurred; and

12 (d) For state aid calculated for school fiscal year
13 2010-11 and each school fiscal year thereafter, as reported on
14 the annual financial report for the second school fiscal year
15 immediately preceding the school fiscal year in which aid is
16 to be paid, ~~on the annual financial report submitted prior to~~
17 ~~December 1 of the school fiscal year immediately preceding the~~
18 ~~school fiscal year in which aid is to be paid,~~ the total
19 general fund expenditures minus (i) the amount of all receipts
20 to the general fund, to the extent that such receipts are not
21 included in local system formula resources, from early childhood
22 education tuition, summer school tuition, educational entities as
23 defined in section 79-1201.01 for providing distance education
24 courses through the Educational Service Unit Coordinating Council
25 to such educational entities, private foundations, individuals,

1 associations, charitable organizations, the textbook loan program
2 authorized by section 79-734, federal impact aid, and levy
3 override elections pursuant to section 77-3444, (ii) the amount
4 of expenditures for categorical funds, tuition paid, transportation
5 fees paid to other districts, adult education, community services,
6 redemption of the principal portion of general fund debt service,
7 retirement incentive plans authorized by section 79-855, and staff
8 development assistance authorized by section 79-856, (iii) the
9 amount of any transfers from the general fund to any bond fund
10 and transfers from other funds into the general fund, and (iv) any
11 legal expenses in excess of fifteen-hundredths of one percent of
12 the formula need for the school fiscal year in which the expenses
13 occurred.

14 For purposes of this subdivision (21) of this section,
15 receipts from levy override elections shall equal ninety-nine
16 percent of the difference of the total general fund levy minus
17 a levy of one dollar and five cents per one hundred dollars of
18 taxable valuation multiplied by the assessed valuation for school
19 districts that have voted pursuant to section 77-3444 to override
20 the maximum levy provided pursuant to section 77-3442;

21 (22) High school district means a school district
22 providing instruction in at least grades nine through twelve;

23 (23) Income tax liability means the amount of the
24 reported income tax liability for resident individuals pursuant
25 to the Nebraska Revenue Act of 1967 less all nonrefundable credits

1 earned and refunds made;

2 (24) Income tax receipts means the amount of income tax
3 collected pursuant to the Nebraska Revenue Act of 1967 less all
4 nonrefundable credits earned and refunds made;

5 (25) Limited English proficiency students means (a) for
6 school fiscal years prior to school fiscal year 2009-10, the number
7 of students with limited English proficiency in a district from
8 the most recent data available on November 1 of the school fiscal
9 year preceding the school fiscal year in which aid is to be paid
10 and (b) for school fiscal year 2009-10 and each school fiscal year
11 thereafter, the number of students with limited English proficiency
12 in a district from the most recent data available on November 1 of
13 the school fiscal year preceding the school fiscal year in which
14 aid is to be paid plus the difference of such students with limited
15 English proficiency minus the average number of limited English
16 proficiency students for such district, prior to such addition,
17 for the three immediately preceding school fiscal years if such
18 difference is greater than zero;

19 (26) Local system means a learning community, a unified
20 system, a Class VI district and the associated Class I districts,
21 or a Class II, III, IV, or V district and any affiliated Class
22 I districts or portions of Class I districts. The membership,
23 expenditures, and resources of Class I districts that are
24 affiliated with multiple high school districts will be attributed
25 to local systems based on the percent of the Class I valuation that

1 is affiliated with each high school district;

2 (27) Low-income child means (a) for school fiscal years
3 prior to 2008-09, a child under nineteen years of age living in
4 a household having an annual adjusted gross income of fifteen
5 thousand dollars or less for the second calendar year preceding
6 the beginning of the school fiscal year for which aid is being
7 calculated and (b) for school fiscal year 2008-09 and each school
8 fiscal year thereafter, a child under nineteen years of age living
9 in a household having an annual adjusted gross income for the
10 second calendar year preceding the beginning of the school fiscal
11 year for which aid is being calculated equal to or less than the
12 maximum household income that would allow a student from a family
13 of four people to be a free lunch and free milk student during the
14 school fiscal year immediately preceding the school fiscal year for
15 which aid is being calculated;

16 (28) Low-income students means the number of low-income
17 children within the district multiplied by the ratio of the formula
18 students in the district divided by the total children under
19 nineteen years of age residing in the district as derived from
20 income tax information;

21 (29) Most recently available complete data year means
22 the most recent single school fiscal year for which the annual
23 financial report, fall school district membership report, annual
24 statistical summary, Nebraska income tax liability by school
25 district for the calendar year in which the majority of the school

1 fiscal year falls, and adjusted valuation data are available;

2 (30) Poverty students means (a) for school fiscal years
3 prior to school fiscal year 2009-10, the number of low-income
4 students or the number of students who are free lunch and free milk
5 students in a district, whichever is greater, and (b) for school
6 fiscal year 2009-10 and each school fiscal year thereafter, the
7 number of low-income students or the number of students who are
8 free lunch and free milk students in a district plus the difference
9 of the number of low-income students or the number of students
10 who are free lunch and free milk students in a district, whichever
11 is greater, minus the average number of poverty students for
12 such district, prior to such addition, for the three immediately
13 preceding school fiscal years if such difference is greater than
14 zero;

15 (31) Qualified early childhood education average daily
16 membership means the product of the average daily membership for
17 school fiscal year 2006-07 and each school fiscal year thereafter
18 of students who will be eligible to attend kindergarten the
19 following school year and are enrolled in an early childhood
20 education program approved by the department pursuant to section
21 79-1103 for such school district for such school year multiplied by
22 the ratio of the actual instructional hours of the program divided
23 by one thousand thirty-two if: (a) The program is receiving a grant
24 pursuant to such section for the third year; (b) the program has
25 already received grants pursuant to such section for three years;

1 or (c) the program has been approved pursuant to subsection (5) of
2 section 79-1103 for such school year and the two preceding school
3 years, including any such students in portions of any of such
4 programs receiving an expansion grant;

5 (32) Qualified early childhood education fall membership
6 means the product of membership on the last Friday in September
7 2006 and each year thereafter of students who will be eligible
8 to attend kindergarten the following school year and are enrolled
9 in an early childhood education program approved by the department
10 pursuant to section 79-1103 for such school district for such
11 school year multiplied by the ratio of the planned instructional
12 hours of the program divided by one thousand thirty-two if: (a)
13 The program is receiving a grant pursuant to such section for the
14 third year; (b) the program has already received grants pursuant to
15 such section for three years; or (c) the program has been approved
16 pursuant to subsection (5) of section 79-1103 for such school year
17 and the two preceding school years, including any such students in
18 portions of any of such programs receiving an expansion grant;

19 (33) Regular route transportation means the
20 transportation of students on regularly scheduled daily routes to
21 and from the attendance center;

22 (34) Reorganized district means any district involved
23 in a consolidation and currently educating students following
24 consolidation;

25 (35) School year or school fiscal year means the fiscal

1 year of a school district as defined in section 79-1091;

2 (36) Sparse local system means a local system that is not
3 a very sparse local system but which meets the following criteria:

4 (a) (i) Less than two students per square mile in the
5 county in which each high school is located, based on the school
6 district census, (ii) less than one formula student per square
7 mile in the local system, and (iii) more than ten miles between
8 each high school attendance center and the next closest high school
9 attendance center on paved roads;

10 (b) (i) Less than one and one-half formula students per
11 square mile in the local system and (ii) more than fifteen miles
12 between each high school attendance center and the next closest
13 high school attendance center on paved roads;

14 (c) (i) Less than one and one-half formula students per
15 square mile in the local system and (ii) more than two hundred
16 seventy-five square miles in the local system; or

17 (d) (i) Less than two formula students per square mile in
18 the local system and (ii) the local system includes an area equal
19 to ninety-five percent or more of the square miles in the largest
20 county in which a high school attendance center is located in the
21 local system;

22 (37) Special education means specially designed
23 kindergarten through grade twelve instruction pursuant to section
24 79-1125, and includes special education transportation;

25 (38) Special grant funds means the budgeted receipts for

1 grants, including, but not limited to, Title I funds, Title VI
2 funds, funds from the Education Innovation Fund, reimbursements
3 for wards of the court, short-term borrowings including, but
4 not limited to, registered warrants and tax anticipation notes,
5 interfund loans, insurance settlements, and reimbursements to
6 county government for previous overpayment. The state board shall
7 approve a listing of grants that qualify as special grant funds;

8 (39) State aid means the amount of assistance paid to a
9 district pursuant to the Tax Equity and Educational Opportunities
10 Support Act;

11 (40) State board means the State Board of Education;

12 (41) State support means all funds provided to districts
13 by the State of Nebraska for the general fund support of elementary
14 and secondary education;

15 (42) Statewide average basic funding per formula student
16 means the statewide total basic funding for all districts divided
17 by the statewide total formula students for all districts;

18 (43) Statewide average general fund operating
19 expenditures per formula student means the statewide total
20 general fund operating expenditures for all districts divided by
21 the statewide total formula students for all districts;

22 (44) Teacher has the definition found in section 79-101;

23 (45) Temporary aid adjustment factor means (a) for school
24 fiscal years before school fiscal year 2007-08, one and one-fourth
25 percent of the sum of the local system's transportation allowance,

1 the local system's special receipts allowance, and the product
2 of the local system's adjusted formula students multiplied by
3 the average formula cost per student in the local system's
4 cost grouping and (b) for school fiscal year 2007-08, one and
5 one-fourth percent of the sum of the local system's transportation
6 allowance, special receipts allowance, and distance education and
7 telecommunications allowance and the product of the local system's
8 adjusted formula students multiplied by the average formula cost
9 per student in the local system's cost grouping;

10 (46) Tuitioned students means students in kindergarten
11 through grade twelve of the district whose tuition is paid by the
12 district to some other district or education agency; and

13 (47) Very sparse local system means a local system that
14 has:

15 (a) (i) Less than one-half student per square mile in
16 each county in which each high school attendance center is located
17 based on the school district census, (ii) less than one formula
18 student per square mile in the local system, and (iii) more than
19 fifteen miles between the high school attendance center and the
20 next closest high school attendance center on paved roads; or

21 (b) (i) More than four hundred fifty square miles in the
22 local system, (ii) less than one-half student per square mile in
23 the local system, and (iii) more than fifteen miles between each
24 high school attendance center and the next closest high school
25 attendance center on paved roads.

1 Sec. 19. Section 79-1007.06, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1007.06 (1) For school fiscal year 2008-09 and each
4 school fiscal year thereafter, the department shall determine
5 the poverty allowance for each school district that meets the
6 requirements of this section and has not been disqualified pursuant
7 to section 79-1007.07. Each school district shall designate a
8 maximum poverty allowance on a form prescribed by the department
9 on or before October ~~10~~ 15 of the school fiscal year immediately
10 preceding the school fiscal year for which aid is being calculated.
11 The school district may decline to participate in the poverty
12 allowance by providing the department with a maximum poverty
13 allowance of zero dollars on such form on or before October ~~10~~
14 15 of the school fiscal year immediately preceding the school
15 fiscal year for which aid is being calculated. Each school district
16 designating a maximum poverty allowance greater than zero dollars
17 shall submit a poverty plan pursuant to section 79-1013.

18 (2) The poverty allowance for each school district that
19 has not been disqualified pursuant to section 79-1007.07 shall
20 equal the lesser of:

21 (a) The maximum amount designated pursuant to subsection
22 (1) of this section by the school district in the local system, if
23 such school district designated a maximum amount, for the school
24 fiscal year for which aid is being calculated; or

25 (b) The sum of:

1 (i) The statewide average general fund operating
2 expenditures per formula student multiplied by 0.0375 then
3 multiplied by the poverty students comprising more than five
4 percent and not more than ten percent of the formula students in
5 the school district; plus

6 (ii) The statewide average general fund operating
7 expenditures per formula student multiplied by 0.0750 then
8 multiplied by the poverty students comprising more than ten percent
9 and not more than fifteen percent of the formula students in the
10 school district; plus

11 (iii) The statewide average general fund operating
12 expenditures per formula student multiplied by 0.1125 then
13 multiplied by the poverty students comprising more than fifteen
14 percent and not more than twenty percent of the formula students in
15 the school district; plus

16 (iv) The statewide average general fund operating
17 expenditures per formula student multiplied by 0.1500 then
18 multiplied by the poverty students comprising more than twenty
19 percent and not more than twenty-five percent of the formula
20 students in the school district; plus

21 (v) The statewide average general fund operating
22 expenditures per formula student multiplied by 0.1875 then
23 multiplied by the poverty students comprising more than twenty-five
24 percent and not more than thirty percent of the formula students in
25 the school district; plus

1 (vi) The statewide average general fund operating
2 expenditures per formula student multiplied by 0.2250 then
3 multiplied by the poverty students comprising more than thirty
4 percent of the formula students in the school district.

5 Sec. 20. Section 79-1007.08, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-1007.08 (1) For school fiscal year 2008-09 and each
8 school fiscal year thereafter, the department shall determine the
9 limited English proficiency allowance for each school district
10 that meets the requirements of this section and has not been
11 disqualified pursuant to section 79-1007.09. Each school district
12 shall designate a maximum limited English proficiency allowance
13 on or before October ~~10~~ 15 of the school fiscal year immediately
14 preceding the school fiscal year for which aid is being calculated.
15 The school district may decline to participate in the limited
16 English proficiency allowance by providing the department with
17 a maximum limited English proficiency allowance of zero dollars
18 on such form on or before October ~~10~~ 15 of the school fiscal
19 year immediately preceding the school fiscal year for which aid
20 is being calculated. Each school district designating a maximum
21 limited English proficiency allowance greater than zero dollars
22 shall submit a limited English proficiency plan pursuant to section
23 79-1014.

24 (2) The limited English proficiency allowance for each
25 school district that has not been disqualified pursuant to section

1 79-1007.09 shall equal the lesser of:

2 (a) The amount designated pursuant to subsection (1)
3 of this section by the school district, if such school district
4 designated a maximum amount, for the school fiscal year for which
5 aid is being calculated; or

6 (b) The statewide average general fund operating
7 expenditures per formula student multiplied by 0.25 then multiplied
8 by:

9 (i) The number of students in the school district who are
10 limited English proficient as defined under 20 U.S.C. 7801, as such
11 section existed on January 1, 2006, if such number is greater than
12 or equal to twelve;

13 (ii) Twelve, if the number of students in the school
14 district who are limited English proficient as defined under 20
15 U.S.C. 7801, as such section existed on January 1, 2006, is greater
16 than or equal to one and less than twelve; or

17 (iii) Zero, if the number of students in the school
18 district who are limited English proficient as defined under 20
19 U.S.C. 7801, as such section existed on January 1, 2006, is less
20 than one.

21 Sec. 21. Section 79-1007.16, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-1007.16 For school fiscal year 2008-09 and each
24 school fiscal year thereafter, the department shall calculate
25 basic funding for each district as follows:

1 (1) A comparison group shall be established for each
2 district consisting of the districts for which basic funding is
3 being calculated, the five larger districts that are closest in
4 size to the district for which basic funding is being calculated as
5 measured by formula students, and the five smaller districts that
6 are closest in size to the district for which basic funding is
7 being calculated as measured by formula students. If there are not
8 five districts that are larger than the district for which basic
9 funding is being calculated or if there are not five districts
10 that are smaller than the district for which basic funding is
11 being calculated, the comparison group shall consist of only as
12 many districts as fit the criteria. If more than one district
13 has exactly the same number of formula students as the largest or
14 smallest district in the comparison group, all of the districts
15 with exactly the same number of formula students as the largest or
16 smallest districts in the comparison group shall be included in the
17 comparison group. If one or more districts have exactly the same
18 number of formula students as the district for which basic funding
19 is being calculated, all such districts shall be included in the
20 comparison group in addition to the five larger districts and the
21 five smaller districts. The comparison group shall remain the same
22 for the final calculation of aid pursuant to section 79-1065;

23 (2) For districts with nine hundred or more formula
24 students, basic funding shall equal the ~~adjusted~~ formula students
25 multiplied by the average of the adjusted general fund operating

1 expenditures per formula student for each district in the
2 comparison group, excluding both the district with the highest
3 adjusted general fund operating expenditures per ~~adjusted~~ formula
4 student and the district with the lowest adjusted general fund
5 operating expenditures per formula student of the districts in the
6 comparison group; and

7 (3) For districts with fewer than nine hundred formula
8 students, basic funding shall equal the product of the average
9 of the adjusted general fund operating expenditures for each
10 district in the comparison group, excluding both the district
11 with the highest adjusted general fund operating expenditures
12 and the district with the lowest adjusted general fund operating
13 expenditures of the districts in the comparison group.

14 Sec. 22. Section 79-1007.20, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-1007.20 (1) For school fiscal year 2009-10 and each
17 school fiscal year thereafter, school districts may apply to the
18 department for a student growth adjustment, on a form prescribed
19 by the department, on or before October ~~10~~ 15 of the school fiscal
20 year immediately preceding the school fiscal year for which aid
21 is being calculated. Such form shall require an estimate of the
22 average daily membership for the school fiscal year for which aid
23 is being calculated, the estimated student growth calculated by
24 subtracting the fall membership of the current school fiscal year
25 from the estimated average daily membership for the school fiscal

1 year for which aid is being calculated, and evidence supporting
2 the estimates. On or before the immediately following December
3 1, the department shall approve the estimated student growth,
4 approve a modified student growth, or deny the application based
5 on the requirements of this section, the evidence submitted on the
6 application, and any other information provided by the department.
7 The state board shall establish procedures for appeal of decisions
8 of the department to the state board for final determination.

9 (2) The student growth adjustment for each approved
10 district shall equal the sum of the product of the school
11 district's basic funding per formula student multiplied by the
12 difference of the approved student growth minus the greater of
13 twenty-five students or one percent of the fall membership for the
14 school fiscal year immediately preceding the school fiscal year for
15 which aid is being calculated plus the product of fifty percent of
16 the school district's basic funding per formula student multiplied
17 by the greater of twenty-five students or one percent of the fall
18 membership for the school fiscal year immediately preceding the
19 school fiscal year for which aid is being calculated.

20 (3) For school fiscal year 2011-12 and each school
21 fiscal year thereafter, the department shall calculate a student
22 growth adjustment correction for each district that received a
23 student growth adjustment for aid distributed in the most recently
24 available complete data year. Such student growth correction shall
25 equal the product of the difference of the average daily membership

1 for such school fiscal year minus the sum of the formula students
2 and the approved student growth used to calculate the student
3 growth adjustment for such school fiscal year multiplied by the
4 school district's basic funding per formula student used in the
5 final calculation of aid pursuant to section 79-1065 for such
6 school fiscal year, except that the absolute value of a negative
7 correction shall not exceed the original adjustment.

8 Sec. 23. Section 79-1007.21, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-1007.21 (1) For school fiscal year 2009-10 and each
11 school fiscal year thereafter, school districts may apply to
12 the department for a two-year new school adjustment, on a form
13 prescribed by the department, on or before October ~~10~~ 15 of
14 the school fiscal year immediately preceding the school fiscal
15 year for which the first-year new school adjustment would be
16 included in the calculation of state aid. Such form shall require
17 evidence of recent and expected student growth, evidence that
18 a new building or the expansion or remodeling of an existing
19 building is being completed to provide additional student capacity
20 to accommodate such growth and not to replace an existing building,
21 evidence that the school fiscal year for which the district
22 would receive the first-year adjustment will be the first full
23 school fiscal year for which students will utilize such additional
24 capacity, and evidence of the estimated additional student capacity
25 to be provided by the project. On or before the immediately

1 following December 1, the department shall approve the estimated
2 additional capacity for use in the adjustment, approve a modified
3 estimated additional capacity for use in the adjustment, or deny
4 the application based on the requirements of this section, the
5 evidence submitted on the application, and any other information
6 provided by the department. Each approval shall include an approved
7 estimated additional student capacity for the new building. The
8 state board shall establish procedures for appeal of decisions of
9 the department to the state board for final determination.

10 (2) The first-year new school adjustment for each
11 approved district shall equal the school district's basic funding
12 per formula student multiplied by twenty percent of the approved
13 estimated additional student capacity. The second-year new school
14 adjustment for each approved district shall equal the school
15 district's basic funding per formula student multiplied by ten
16 percent of the approved estimated additional student capacity.

17 Sec. 24. Section 79-1007.22, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-1007.22 (1) For state aid calculated for each of the
20 first two full school fiscal years of a new learning community,
21 each member school district may apply to the department for a new
22 learning community transportation adjustment, on a form prescribed
23 by the department, on or before October ~~10~~ 15 of the school fiscal
24 year immediately preceding the school fiscal year for which the
25 new learning community transportation adjustment would be included

1 in the calculation of state aid. Such form shall require evidence
2 supporting estimates of increased transportation costs for the
3 district due to the provisions of subsection (2) of section 79-611.
4 On or before the immediately following December 1, the department
5 shall approve the estimate of increased transportation costs for
6 use in the adjustment, approve a modified estimate of increased
7 transportation costs for use in the adjustment, or deny the
8 application based on the requirements of this section, the evidence
9 submitted on the application, and any other information provided
10 by the department. The state board shall establish procedures for
11 appeal of decisions of the department to the state board for final
12 determination.

13 (2) The new learning community transportation adjustment
14 shall equal the approved estimate of increased transportation
15 costs due to the provisions of subsection (2) of section 79-611.
16 School districts shall submit evidence of the actual increase in
17 transportation costs due to the provisions of subsection (2) of
18 section 79-611, and the department shall recalculate the adjustment
19 using such actual costs pursuant to section 79-1065.

20 Sec. 25. Section 79-1014, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-1014 (1) On or before October 10 of each year, each
23 school district designating a maximum limited English proficiency
24 allowance greater than zero dollars shall submit a limited English
25 proficiency plan for the next school fiscal year to the department

1 and to the learning community coordinating council of any learning
2 community of which the school district is a member. On or before
3 the immediately following December 1, (a) the department shall
4 approve or disapprove such plans for school districts that are not
5 members of a learning community, based on the inclusion of the
6 elements required pursuant to this section and (b) the learning
7 community coordinating council, and, as to the applicable portions
8 thereof, each achievement subcouncil, shall approve or disapprove
9 such plan for school districts that are members of such learning
10 community, based on the inclusion of such elements. On or before
11 the immediately following December 5, each learning community
12 coordinating council shall certify to the department the approval
13 or disapproval of the limited English proficiency plan for each
14 member school district.

15 (2) In order to be approved pursuant to this section,
16 a limited English proficiency plan must include an explanation of
17 how the school district will address the following issues for such
18 school fiscal year:

19 (a) Identification of students with limited English
20 proficiency;

21 (b) Instructional approaches;

22 (c) Assessment of such students' progress toward
23 mastering the English language; and

24 (d) An evaluation to determine the effectiveness of the
25 elements of the limited English proficiency plan.

1 (3) The state board shall establish a procedure for
2 appeal of decisions of the department and of learning community
3 coordinating councils to the state board for a final determination.

4 Sec. 26. Section 79-1065.01, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-1065.01 If the adjustment under section 79-1065
7 results in a school district being entitled to the payment of
8 additional funds, the district may apply to the State Department of
9 Education for a lump-sum payment for any amount up to one hundred
10 percent of the adjustment, except that when a school district is to
11 receive a monthly payment of less than one thousand dollars, such
12 payment shall be one lump-sum payment on the last business day of
13 December during the ensuing school fiscal year pursuant to section
14 79-1022. The department shall notify the Director of Administrative
15 Services of the amount of funds to be paid in a lump sum and the
16 reduced amount of the monthly payments pursuant to section 79-1022.
17 The department shall make such payment in a lump sum not later than
18 the last business day of September of the year in which the final
19 determination under this section is made, except that when a school
20 district is to receive a monthly payment of less than one thousand
21 dollars, such payment shall be one lump-sum payment on the last
22 business day of December during the ensuing school fiscal year.

23 Sec. 27. Section 79-1084, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-1084 The school board of a Class III school district

1 shall annually, on or before September 20, report in writing to
2 the county board and the learning community coordinating council if
3 the school district is a member of a learning community the entire
4 revenue raised by taxation and all other sources and received by
5 the school board for the previous school fiscal year and a budget
6 for the ensuing school fiscal year ~~in form of a resolution~~ broken
7 down generally as follows: (1) The amount of funds required for the
8 support of the schools during the ensuing school fiscal year; (2)
9 the amount of funds required for the ~~purpose~~ purchase of school
10 sites; (3) the amount of funds required for the erection of school
11 buildings; (4) the amount of funds required for the payment of
12 interest upon all bonds issued for school purposes; and (5) the
13 amount of funds required for the creation of a sinking fund for the
14 payment of such indebtedness. The secretary shall publish, within
15 ten days after the filing of such budget, a copy of the fund
16 summary pages of the budget one time at the legal rate prescribed
17 for the publication of legal notices in a legal newspaper published
18 in and of general circulation in such city or village or, if none
19 is published in such city or village, in a legal newspaper of
20 general circulation in the city or village. The secretary of the
21 school board failing or neglecting to comply with this section
22 shall be deemed guilty of a Class V misdemeanor and, in the
23 discretion of the court, the judgment of conviction may provide
24 for the removal from office of such secretary for such failure
25 or neglect. For Class III school districts that are not members

1 of a learning community, the county board shall levy and collect
2 such taxes as are necessary to provide the amount of revenue from
3 property taxes as indicated by all the data contained in the budget
4 and the certificate prescribed by this section, at the time and in
5 the manner provided in section 77-1601.

6 Sec. 28. Section 79-1086, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-1086 (1) The board of education of a Class V school
9 district that is not a member of a learning community shall
10 annually during the month of July estimate the amount of resources
11 likely to be received for school purposes, including the amounts
12 available from fines, licenses, and other sources. Before the
13 county board of equalization makes its levy each year, the board
14 of education shall report to the county clerk the rate of tax
15 deemed necessary to be levied upon the taxable value of all the
16 taxable property of the district subject to taxation during the
17 fiscal year next ensuing for (a) the support of the schools,
18 (b) the purchase of school sites, (c) the erection, alteration,
19 equipping, and furnishing of school buildings and additions to
20 school buildings, (d) the payment of interest upon all bonds issued
21 for school purposes, and (e) the creation of a sinking fund for
22 the payment of such indebtedness. The county board of equalization
23 shall levy the rate of tax so reported and demanded by the board of
24 education and collect the tax in the same manner as other taxes are
25 levied and collected.

1 (2) The school board of a Class V school district that
2 is a member of a learning community shall annually, on or before
3 September 20, report in writing to the county board and the
4 learning community coordinating council the entire revenue raised
5 by taxation and all other sources and received by the school board
6 for the previous school fiscal year and a budget for the ensuing
7 school fiscal year in form of a resolution broken down generally
8 as follows: (a) The amount of funds required for the support of
9 the schools during the ensuing school fiscal year; (b) the amount
10 of funds required for the ~~purpose~~ purchase of school sites; (c)
11 the amount of funds required for the erection of school buildings;
12 (d) the amount of funds required for the payment of interest upon
13 all bonds issued for school purposes; and (e) the amount of funds
14 required for the creation of a sinking fund for the payment of such
15 indebtedness. The secretary shall publish, within ten days after
16 the filing of such budget, a copy of the fund summary pages of the
17 budget one time at the legal rate prescribed for the publication
18 of legal notices in a legal newspaper published in and of general
19 circulation in such city or village or, if none is published in
20 such city or village, in a legal newspaper of general circulation
21 in the city or village. The secretary of the school board failing
22 or neglecting to comply with this section shall be deemed guilty
23 of a Class V misdemeanor and, in the discretion of the court, the
24 judgment of conviction may provide for the removal from office of
25 such secretary for such failure or neglect.

1 Sec. 29. Section 79-10,110, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-10,110 (1) After making a determination that an actual
4 or potential environmental hazard or accessibility barrier exists,
5 that a life safety code violation exists, or that expenditures
6 are needed for indoor air quality or mold abatement and prevention
7 within the school buildings or grounds under its control, a school
8 board may make and deliver to the county clerk of such county
9 in which any part of the school district is situated, not later
10 than the date provided in section 13-508, an itemized estimate of
11 the amounts necessary to be expended for the abatement of such
12 environmental hazard, for accessibility barrier elimination, or for
13 modifications for life safety code violations, indoor air quality,
14 or mold abatement and prevention in such school buildings or
15 grounds. ~~The board shall conduct a public hearing on the itemized~~
16 ~~estimate prior to presenting such estimate to the county clerk.~~
17 ~~Notice of the place and time of such hearing shall, at least five~~
18 ~~days prior to the date set for hearing, be published in a newspaper~~
19 ~~of general circulation within the school district.~~ The board shall
20 designate the particular environmental hazard abatement project,
21 accessibility barrier elimination project, or modification for life
22 safety code violations, indoor air quality, or mold abatement and
23 prevention for which the tax levy provided for by this section will
24 be expended, the period of years, which shall not exceed ten years,
25 for which the tax will be levied for such project, and the amount

1 of the levy for each year of the period.

2 (2) After a public hearing, a school board may undertake
3 any qualified capital purpose in any qualified zone academy under
4 its control and may levy a tax as provided in this section to
5 repay a qualified zone academy bond issued for such undertaking.
6 The board shall designate the particular qualified capital purpose
7 for which the qualified zone academy bond was issued and for which
8 the tax levy provided for by this section will be expended, the
9 period of years, not exceeding fifteen, for which the tax will be
10 levied for such qualified zone academy bond, and the amount of the
11 levy for each year of the period. The hearing required by this
12 subsection shall be held only after notice of such hearing has been
13 published for three consecutive weeks prior to the hearing in a
14 legal newspaper published or of general circulation in the school
15 district.

16 (3) The board may designate more than one project under
17 subsection (1) of this section or qualified capital purpose
18 under subsection (2) of this section and levy a tax pursuant
19 to this section for each such project or qualified capital
20 purpose, concurrently or consecutively, as the case may be, if
21 the aggregate levy in each year and the duration of each such
22 levy will not exceed the limitations specified in this section.
23 Each levy for a project or qualified capital purpose which is
24 authorized by this section may be imposed for such duration as
25 the board specifies, notwithstanding the contemporaneous existence

1 or subsequent imposition of any other levy for another project
2 or qualified capital purpose imposed pursuant to this section and
3 notwithstanding the subsequent issuance by the district of bonded
4 indebtedness payable from its general fund levy.

5 (4) The county clerk shall levy such taxes, not to
6 exceed five and one-fifth cents per one hundred dollars of
7 taxable valuation for Class II, III, IV, V, and VI districts,
8 and not to exceed the limits set for Class I districts in section
9 79-10,124, on the taxable property of the district necessary to (a)
10 cover the environmental hazard abatement or accessibility barrier
11 elimination project costs or costs for modification for life
12 safety code violations, indoor air quality, or mold abatement and
13 prevention itemized by the board pursuant to subsection (1) of this
14 section and (b) repay any qualified zone academy bonds pursuant to
15 subsection (2) of this section. Such taxes shall be collected by
16 the county treasurer at the same time and in the same manner as
17 county taxes are collected and when collected shall be paid to the
18 treasurer of the district and used to cover the project costs.

19 (5) If such board operates grades nine through twelve
20 as part of an affiliated school system, it shall designate the
21 fraction of the project or undertaking to be conducted for the
22 benefit of grades nine through twelve. Such fraction shall be
23 raised by a levy placed upon all of the taxable value of all
24 taxable property in the affiliated school system pursuant to
25 subsection (2) of section 79-1075. The balance of the project or

1 undertaking to be conducted for the benefit of grades kindergarten
2 through eight shall be raised by a levy placed upon all of the
3 taxable value of all taxable property in the district which is
4 governed by such board. The combined rate for both levies in the
5 high school district, to be determined by such board, shall not
6 exceed five and one-fifth cents on each one hundred dollars of
7 taxable value.

8 (6) Each board which submits an itemized estimate shall
9 establish an environmental hazard abatement and accessibility
10 barrier elimination project account, a life safety code
11 modification project account, an indoor air quality project
12 account, or a mold abatement and prevention project account, and
13 each board which undertakes a qualified capital purpose shall
14 establish a qualified capital purpose undertaking account, within
15 the qualified capital purpose undertaking fund. Taxes collected
16 pursuant to this section shall be credited to the appropriate
17 account to cover the project or undertaking costs. Such estimates
18 may be presented to the county clerk and taxes levied accordingly.

19 (7) For purposes of this section:

20 (a) Abatement includes, but is not limited to, any
21 inspection and testing regarding environmental hazards, any
22 maintenance to reduce, lessen, put an end to, diminish, moderate,
23 decrease, control, dispose of, or eliminate environmental hazards,
24 any removal or encapsulation of environmentally hazardous material
25 or property, any restoration or replacement of material or

1 property, any related architectural and engineering services, and
2 any other action to reduce or eliminate environmental hazards in
3 the school buildings or on the school grounds under the board's
4 control, except that abatement does not include the encapsulation
5 of any material containing more than one percent friable asbestos;

6 (b) Accessibility barrier means anything which impedes
7 entry into, exit from, or use of any building or facility by all
8 people;

9 (c) Accessibility barrier elimination includes, but is
10 not limited to, inspection for and removal of accessibility
11 barriers, maintenance to reduce, lessen, put an end to, diminish,
12 control, dispose of, or eliminate accessibility barriers, related
13 restoration or replacement of facilities or property, any related
14 architectural and engineering services, and any other action to
15 eliminate accessibility barriers in the school buildings or grounds
16 under the board's control;

17 (d) Environmental hazard means any contamination of the
18 air, water, or land surface or subsurface caused by any substance
19 adversely affecting human health or safety if such substance has
20 been declared hazardous by a federal or state statute, rule, or
21 regulation;

22 (e) Modification for indoor air quality includes, but
23 is not limited to, any inspection and testing regarding indoor
24 air quality, any maintenance to reduce, lessen, put an end to,
25 diminish, moderate, decrease, control, dispose of, or eliminate

1 indoor air quality problems, any restoration or replacement of
2 material or related architectural and engineering services, and any
3 other action to reduce or eliminate indoor air quality problems
4 or to enhance air quality conditions in new or existing school
5 buildings or on school grounds under the control of a school board;

6 (f) Modification for life safety code violation includes,
7 but is not limited to, any inspection and testing regarding life
8 safety codes, any maintenance to reduce, lessen, put an end to,
9 diminish, moderate, decrease, control, dispose of, or eliminate
10 life safety hazards, any restoration or replacement of material or
11 property, any related architectural and engineering services, and
12 any other action to reduce or eliminate life safety hazards in new
13 or existing school buildings or on school grounds under the control
14 of a school board;

15 (g) Modification for mold abatement and prevention
16 includes, but is not limited to, any inspection and testing
17 regarding mold abatement and prevention, any maintenance to
18 reduce, lessen, put an end to, diminish, moderate, decrease,
19 control, dispose of, or eliminate mold problems, any restoration or
20 replacement of material or related architectural and engineering
21 services, and any other action to reduce or eliminate mold problems
22 or to enhance air quality conditions in new or existing school
23 buildings or on school grounds under the control of a school board;

24 (h) Qualified capital purpose means (i) rehabilitating or
25 repairing the public school facility in which the qualified zone

1 academy is established or (ii) providing equipment for use at such
2 qualified zone academy;

3 (i) Qualified zone academy has the meaning found in 26
4 U.S.C. 1397E(d)(4), as such section existed on April 6, 2001;

5 (j) Qualified zone academy allocation means the
6 allocation of the qualified zone academy bond limitation by the
7 State Department of Education to the qualified zone academies
8 pursuant to 26 U.S.C. 1397E(e)(2), as such section existed on April
9 6, 2001; and

10 (k) Qualified zone academy bond has the meaning found in
11 26 U.S.C. 1397E(d)(1), as such section existed on May 8, 2001.

12 (8) Accessibility barrier elimination project costs
13 includes, but is not limited to, inspection, maintenance,
14 accounting, emergency services, consultation, or any other action
15 to reduce or eliminate accessibility barriers.

16 (9) For the purpose of paying amounts necessary for
17 the abatement of environmental hazards, accessibility barrier
18 elimination, or modifications for life safety code violations,
19 indoor air quality, or mold abatement and prevention, the board may
20 borrow money and issue bonds and other evidences of indebtedness
21 of the district, which bonds and other evidences of indebtedness
22 shall be secured by and payable from an irrevocable pledge by the
23 district of amounts received in respect of the tax levy provided
24 for by this section and any other funds of the district available
25 therefor. Bonds and other evidences of indebtedness issued by a

1 district pursuant to this subsection shall not constitute a general
2 obligation of the district or be payable from any portion of its
3 general fund levy.

4 (10) The total principal amount of bonds for
5 modifications to correct life safety code violations, for indoor
6 air quality problems, or for mold abatement and prevention which
7 may be issued pursuant to this section shall not exceed the total
8 amount specified in the itemized estimate described in subsection
9 (1) of this section.

10 (11) The total principal amount of qualified zone academy
11 bonds which may be issued pursuant to this section for qualified
12 capital purposes with respect to a qualified zone academy shall
13 not exceed the qualified zone academy allocation granted to the
14 board by the department. The total amount that may be financed by
15 qualified zone academy bonds pursuant to this section for qualified
16 purposes with respect to a qualified zone academy shall not exceed
17 seven and one-half million dollars statewide in a single year.
18 In any year that the Nebraska qualified zone academy allocations
19 exceed seven and one-half million dollars for qualified capital
20 purposes to be financed with qualified zone academy bonds issued
21 pursuant to this section, (a) the department shall reduce such
22 allocations proportionally such that the statewide total for such
23 allocations equals seven and one-half million dollars and (b) the
24 difference between the Nebraska allocation and seven and one-half
25 million dollars shall be available to qualified zone academies for

1 requests that will be financed with qualified zone academy bonds
2 issued without the benefit of this section.

3 Nothing in this section directs the State Department of
4 Education to give any preference to allocation requests that will
5 be financed with qualified zone academy bonds issued pursuant to
6 this section.

7 Sec. 30. Section 79-1110, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-1110 Sections 79-1110 to ~~79-1178~~ 79-1167 shall be
10 known and may be cited as the Special Education Act.

11 Sec. 31. Section 79-1127, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-1127 The board of education of every school district
14 shall provide or contract for special education programs and
15 transportation for all resident children with disabilities who
16 would benefit from such programs in accordance with the Special
17 Education Act and all applicable requirements of the federal
18 Individuals With Disabilities Education Act, 20 U.S.C. 1401 et
19 seq., as such sections existed on January 1, 2009, and the
20 regulations adopted thereunder.

21 Sec. 32. Section 79-1148, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-1148 The State Department of Education is authorized
24 to set up one or more statewide regional networks, approved
25 schools, or centers for children with disabilities. ~~These schools~~

1 ~~or centers shall~~ Any such regional network, school, or center
 2 may offer residential facilities or services for such children,
 3 ~~which facilities and such services~~ shall be under the control and
 4 supervision of the State Department of Education.

5 Sec. 33. Section 79-1149, Reissue Revised Statutes of
 6 Nebraska, is amended to read:

7 79-1149 The admission to any regional network, school,
 8 or center, as provided by section 79-1148, shall be by rules and
 9 regulations to be adopted, promulgated, and administered by the
 10 State Department of Education.

11 Sec. 34. Section 79-1150, Reissue Revised Statutes of
 12 Nebraska, is amended to read:

13 79-1150 All money derived from any source other than
 14 General Fund appropriations by any ~~school~~ regional network, school,
 15 or center as provided by in sections 79-1148 and 79-1149 shall be
 16 remitted to the State Treasurer for credit to the State Department
 17 of Education Cash Fund, and such money shall be made available to
 18 any such ~~school~~ regional network, school, or center for purposes of
 19 education, training, or maintenance of students.

20 Sec. 35. Section 79-1161, Reissue Revised Statutes of
 21 Nebraska, is amended to read:

22 79-1161 (1) A ~~surrogate parent~~ shall be appointed by
 23 a ~~school district~~ School districts shall establish and maintain
 24 procedures to protect the rights of a child with a disability ~~if~~
 25 ~~the district determines that (a) the~~ whenever (a) no parents of the

1 child ~~cannot~~ can be identified, (b) ~~the parents~~ the school district
2 cannot, after reasonable efforts, locate a parent of the child, ~~are~~
3 ~~unknown or unavailable,~~ ~~or~~ (c) the child is a ward of the state,
4 or (d) the child is an unaccompanied homeless youth as defined in
5 the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11434a(6),
6 as such section existed on January 1, 2009. Such procedures shall
7 include the assignment of an individual to act as a surrogate for
8 the parents. The school district shall make reasonable efforts to
9 ensure the assignment of a surrogate not more than thirty days
10 after there is a determination by the district that the child
11 needs a surrogate. In the case of a child who is a ward of the
12 state, such surrogate may alternatively be appointed by the judge
13 overseeing the child's care if the surrogate meets the requirements
14 of subdivision (2)(c) of this section.

15 (2) The surrogate parent shall (a) have no interest which
16 conflicts with the interest of the child, (b) have knowledge and
17 skills that insure adequate representation, and (c) not be an
18 employee of any agency involved in the care or education of the
19 child. A person otherwise qualified to be a surrogate parent under
20 this subsection is not an employee of the agency solely because
21 he or she is paid by the agency to serve as a surrogate parent.
22 The surrogate parent appointed under this section may represent the
23 child in all matters relating to the identification, evaluation,
24 and educational placement of the child and the provision of a free
25 appropriate public education to the child.

1 (3) The services of the surrogate parent shall be
2 terminated when (a) the child is no longer eligible under
3 subsection (1) of this section, (b) a conflict of interest develops
4 between the interest of the child and the interest of the surrogate
5 parent, or (c) the surrogate parent fails to fulfill his or her
6 duties as a surrogate parent. Issues arising from the selection,
7 appointment, or removal of a surrogate parent by a school district
8 shall be resolved through hearings established under sections
9 79-1162 to 79-1167. The surrogate parent and the school district
10 which appointed the surrogate parent shall not be liable in civil
11 actions for damages for acts of the surrogate parent unless such
12 acts constitute willful and wanton misconduct.

13 Sec. 36. Section 79-1204, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1204 (1) The role and mission of the educational
16 service units is to serve as educational service providers in the
17 state's system of elementary and secondary education.

18 (2) Educational service units shall:

19 (a) Act primarily as service agencies in providing core
20 services and services identified and requested by member school
21 districts;

22 (b) Provide for economy, efficiency, and
23 cost-effectiveness in the cooperative delivery of educational
24 services;

25 (c) Provide educational services through leadership,

1 research, and development in elementary and secondary education;

2 (d) Act in a cooperative and supportive role with the
3 State Department of Education and school districts in development
4 and implementation of long-range plans, strategies, and goals for
5 the enhancement of educational opportunities in elementary and
6 secondary education; and

7 (e) Serve, when appropriate and as funds become
8 available, as a repository, clearinghouse, and administrator of
9 federal, state, and private funds on behalf of school districts
10 which choose to participate in special programs, projects, or
11 grants in order to enhance the quality of education in Nebraska
12 schools.

13 (3) ~~Except as provided in section 79-1241, core~~ Core
14 services shall be provided by educational service units to all
15 member school districts. Core services shall be defined by each
16 educational service unit as follows:

17 (a) Core services shall be within the following service
18 areas in order of priority: (i) Staff development which shall
19 include access to staff development related to improving the
20 achievement of students in poverty and students with diverse
21 backgrounds; (ii) technology, including distance education
22 services; and (iii) instructional materials services;

23 (b) Core services shall improve teaching and student
24 learning by focusing on enhancing school improvement efforts,
25 meeting statewide requirements, and achieving statewide goals in

1 the state's system of elementary and secondary education;

2 (c) Core services shall provide schools with access to
3 services that:

4 (i) The educational service unit and its member school
5 districts have identified as necessary services;

6 (ii) Are difficult, if not impossible, for most
7 individual school districts to effectively and efficiently provide
8 with their own personnel and financial resources;

9 (iii) Can be efficiently provided by each educational
10 service unit to its member school districts; and

11 (iv) Can be adequately funded to ensure that the service
12 is provided equitably to the state's public school districts;

13 (d) Core services shall be designed so that the
14 effectiveness and efficiency of the service can be evaluated on a
15 statewide basis; and

16 (e) Core services shall be provided by the educational
17 service unit in a manner that minimizes the costs of administration
18 or service delivery to member school districts.

19 (4) Educational service units shall meet minimum
20 accreditation standards set by the State Board of Education that
21 will:

22 (a) Provide for accountability to taxpayers;

23 (b) Assure that educational service units are assisting
24 and cooperating with school districts to provide for equitable and
25 adequate educational opportunities statewide; and

1 (c) Assure a level of quality in educational programs and
2 services provided to school districts by the educational service
3 units.

4 (5) Educational service units may contract to provide
5 services to:

6 (a) Nonmember public school districts;

7 (b) Nonpublic school systems;

8 (c) Other educational service units; and

9 (d) Other political subdivisions, under the Interlocal
10 Cooperation Act and the Joint Public Agency Act.

11 (6) Educational service units shall not regulate school
12 districts unless specifically provided pursuant to another section
13 of law.

14 Sec. 37. Section 79-1212, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-1212 Members of boards of educational service units
17 existing prior to approval of any plan of reorganization shall
18 serve as board members of educational service units which are
19 reorganized pursuant to sections 79-1206 to 79-1211 until the
20 expiration of their original terms. Such persons shall be members
21 of the board of the reorganized educational service unit in which
22 they reside. Within thirty days after approval of any plan of
23 reorganization by the State Board of Education, the ~~Commissioner of~~
24 Education president of the board of each educational service unit
25 being reorganized shall call a meeting of board members of each

1 educational service unit, ~~being reorganized pursuant to sections~~
2 ~~79-1206 to 79-1211.~~ At such meeting, members of each such board
3 shall appoint one member from each election district to be created
4 pursuant to the plan of reorganization not having representation
5 on such board to serve until the next general election. The board
6 shall take all necessary action to prepare for operation of the
7 reorganized educational service unit ~~commencing one year~~ following
8 approval of any plan of reorganization by the State Board of
9 Education. Expenses incurred by such board prior to such times
10 shall be prorated between the counties comprising the educational
11 service unit on the basis of the assessed valuation of such
12 counties.

13 Sec. 38. Section 79-1241.01, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1241.01 To carry out sections ~~79-1241, 79-1241.03,~~
16 79-1241.03 and 79-1243, it is the intent of the Legislature
17 to appropriate for each fiscal year the amount appropriated in
18 the prior year increased by the percentage growth in the fall
19 membership of member districts plus the basic allowable growth
20 rate described in section 79-1025. For purposes of this section,
21 fall membership has the same meaning as in section 79-1003. Fall
22 membership data used to compute growth shall be from the two most
23 recently available fall membership reports.

24 Sec. 39. Section 79-1241.03, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-1241.03 For school fiscal year 2008-09 and each school
2 fiscal year thereafter:

3 (1) One percent of the funds appropriated for core
4 services and technology infrastructure shall be transferred to
5 the Educational Service Unit Coordinating Council. The remainder
6 of such funds shall be distributed pursuant to subdivisions (2)
7 through (6) of this section;

8 (2)(a) The distance education and telecommunications
9 allowance for each educational service unit shall equal eighty-five
10 percent of the difference of the costs for telecommunications
11 services, for access to data transmission networks that transmit
12 data to and from the educational service unit, and for the
13 transmission of data on such networks paid by the educational
14 service unit as reported on the annual financial report for the
15 most recently available complete data year minus the receipts from
16 the federal Universal Service Fund pursuant to 47 U.S.C. 254,
17 as such section existed on January 1, 2007, for the educational
18 service unit as reported on the annual financial report for the
19 most recently available complete data year and minus any receipts
20 from school districts or other educational entities for payment
21 of such costs as reported on the annual financial report of the
22 educational service unit;

23 (b) The base allocation of each educational service unit
24 shall equal two and one-half percent of the funds appropriated for
25 distribution pursuant to this section;

1 (c) The satellite office allocation for each educational
2 service unit shall equal one percent of the funds appropriated
3 for distribution pursuant to this section for each office of
4 the educational service unit, except the educational service unit
5 headquarters, up to the maximum number of satellite offices. The
6 maximum number of satellite offices used for the calculation of
7 the satellite office allocation for any educational service unit
8 shall equal the difference of the ratio of the number of square
9 miles within the boundaries of the educational service unit divided
10 by four thousand minus one with the result rounded to the closest
11 whole number;

12 (d) The statewide adjusted valuation shall equal the
13 total adjusted valuation for all member districts of educational
14 service units pursuant to section 79-1016 used for the calculation
15 of state aid for school districts pursuant to the Tax Equity and
16 Educational Opportunities Support Act for the school fiscal year
17 for which the distribution is being calculated pursuant to this
18 section;

19 (e) The adjusted valuation for each educational service
20 unit shall equal the total adjusted valuation of the member school
21 districts pursuant to section 79-1016 used for the calculation of
22 state aid for school districts pursuant to the act for the school
23 fiscal year for which the distribution is being calculated pursuant
24 to this section, except that such adjusted valuation for member
25 school districts that are also member districts of a learning

1 community shall be reduced by fifty percent. The adjusted valuation
2 for each learning community shall equal fifty percent of the total
3 adjusted valuation of the member school districts pursuant to
4 section 79-1016 used for the calculation of state aid for school
5 districts pursuant to the act for the school fiscal year for which
6 the distribution is being calculated pursuant to this section;

7 (f) The local effort rate shall equal \$0.0135 per one
8 hundred dollars of adjusted valuation;

9 (g) Except as provided in subdivision (5) of this
10 section, the statewide student allocation shall equal the
11 difference of the sum of the amount appropriated for distribution
12 pursuant to this section plus the product of the statewide adjusted
13 valuation multiplied by the local effort rate minus the distance
14 education and telecommunications allowance, base allocation, and
15 satellite office allocation for all educational service units;

16 (h) The sparsity adjustment for each educational service
17 unit and learning community shall equal the sum of one plus
18 one-tenth of the ratio of the square miles within the boundaries
19 of the educational service unit divided by the fall membership of
20 the member school districts for the school fiscal year immediately
21 preceding the school fiscal year for which the distribution is
22 being calculated pursuant to this section;

23 (i) The adjusted students for each educational service
24 unit shall equal the fall membership for the school fiscal year
25 immediately preceding the school fiscal year for which aid is being

1 calculated of the member school districts that will not be members
2 of a learning community and fifty percent of the fall membership
3 for such school fiscal year of the member school districts that
4 will be members of a learning community pursuant to this section
5 multiplied by the sparsity adjustment for the educational service
6 unit, and the adjusted students for each learning community shall
7 equal fifty percent of the fall membership for such school fiscal
8 year of the member school districts multiplied by the sparsity
9 adjustment for the learning community;

10 (j) The per student allocation shall equal the statewide
11 student allocation divided by the total adjusted students for all
12 educational service units and learning communities;

13 (k) The student allocation for each educational service
14 unit and learning community shall equal the per student allocation
15 multiplied by the adjusted students for the educational service
16 unit or learning community;

17 (l) The needs for each educational service unit shall
18 equal the sum of the distance education and telecommunications
19 allowance, base allocation, satellite office allocation, and
20 student allocation for the educational service unit and the needs
21 for each learning community shall equal the student allocation for
22 the learning community; and

23 (m) The distribution of core services and technology
24 infrastructure funds for each educational service unit and learning
25 community shall equal the needs for each educational service unit

1 or learning community minus the product of the adjusted valuation
2 for the educational service unit or learning community multiplied
3 by the local effort rate;

4 (3) If an educational service unit is the result of
5 a merger or received new member school districts from another
6 educational service unit, such educational service unit shall,
7 for each of the three fiscal years following the fiscal year in
8 which the merger takes place or the new member school districts
9 are received, receive core services and technology infrastructure
10 funds pursuant to subdivisions (2) through (6) of this section
11 in an amount not less than the core services and technology
12 infrastructure funds received in the fiscal year immediately
13 preceding the merger or receipt of new member school districts,
14 except that if the total amount available to be distributed
15 pursuant to subdivisions (2) through (6) of this section for
16 such year is less than the total amount distributed pursuant to
17 such subdivisions or ~~sections 79-1241 and section 79-1243~~ for the
18 immediately preceding fiscal year, the minimum core services and
19 technology infrastructure funds for each educational service unit
20 pursuant to this subdivision shall be reduced by a percentage equal
21 to the ratio of the difference of the total amount distributed
22 pursuant to subdivisions (2) through (6) of this section or
23 ~~sections 79-1241 and section 79-1243~~ for the immediately preceding
24 fiscal year minus the total amount available to be distributed
25 pursuant to subdivisions (2) through (6) of this section for the

1 fiscal year in question divided by the total amount distributed
2 pursuant to subdivisions (2) through (6) of this section or
3 ~~sections 79-1241 and section 79-1243~~ for the immediately preceding
4 fiscal year. The core services and technology infrastructure funds
5 received in the fiscal year immediately preceding a merger or
6 receipt of new member school districts for an educational service
7 unit shall equal the amount received in such fiscal year pursuant
8 to subdivisions (2) through (6) of this section or ~~sections 79-1241~~
9 ~~and section 79-1243~~ by any educational service unit affected by the
10 merger or the transfer of school districts multiplied by a ratio
11 equal to the valuation that was transferred to or retained by the
12 educational service unit for which the minimum is being calculated
13 divided by the total valuation of the educational service unit
14 transferring or retaining the territory;

15 (4) For fiscal years 2008-09 through 2013-14, each
16 educational service unit which will not have any member school
17 districts that are members of a learning community shall receive
18 core services and technology infrastructure funds under this
19 section in an amount not less than ninety-five percent of the
20 total of the core services and technology infrastructure funds that
21 the educational service unit received in the immediately preceding
22 fiscal year either pursuant to subdivisions (2) through (6) of this
23 section or pursuant to ~~sections 79-1241 and section 79-1243~~, except
24 that if the total amount available to be distributed pursuant to
25 subdivisions (2) through (6) of this section for such year is less

1 than the total amount distributed pursuant to such subdivisions
2 or ~~sections 79-1241~~ and section 79-1243 for the immediately
3 preceding fiscal year, the minimum core services and technology
4 infrastructure funds for each educational service unit pursuant to
5 this subdivision shall be reduced by a percentage equal to the
6 ratio of the difference of the total amount distributed pursuant to
7 subdivisions (2) through (6) of this section or ~~sections 79-1241~~
8 ~~and section 79-1243~~ for the immediately preceding fiscal year
9 minus the total amount available to be distributed pursuant to
10 subdivisions (2) through (6) of this section for the fiscal year
11 in question divided by the total amount distributed pursuant to
12 subdivisions (2) through (6) of this section or ~~sections 79-1241~~
13 ~~and section 79-1243~~ for the immediately preceding fiscal year;

14 (5) If the minimum core services and technology
15 infrastructure funds pursuant to subdivision (3) or (4) of this
16 section for any educational service unit exceed the amount that
17 would otherwise be distributed to such educational service unit
18 pursuant to subdivision (2) of this section, the statewide student
19 allocation shall be reduced such that the total amount to be
20 distributed pursuant to this section equals the appropriation
21 for core services and technology infrastructure funds and no
22 educational service unit receives less than the greater of any
23 minimum amounts calculated for such educational service unit
24 pursuant to subdivisions (3) and (4) of this section; and

25 (6) The State Department of Education shall certify the

1 distribution of core services and technology infrastructure funds
2 pursuant to subdivisions (2) through (6) of this section to each
3 educational service unit and learning community on or before July
4 1, 2008, for school fiscal year 2008-09 and on or before July
5 1 of each year thereafter for the following school fiscal year.
6 Any funds appropriated for distribution pursuant to this section
7 shall be distributed in ten as nearly as possible equal payments
8 on the first business day of each month beginning in September
9 of each school fiscal year and ending in June. Funds distributed
10 to educational service units pursuant to this section shall be
11 used for core services and technology infrastructure with the
12 approval of representatives of two-thirds of the member school
13 districts of the educational service unit, representing a majority
14 of the adjusted students in the member school districts used
15 in calculations pursuant to this section for such funds. Funds
16 distributed to learning communities shall be used for learning
17 community purposes pursuant to sections 79-2104 and 79-2115, with
18 the approval of the learning community coordinating council.

19 For purposes of this section, the determination of
20 whether or not a school district will be a member of an educational
21 service unit or a learning community shall be based on the
22 information available May 1 for the following school fiscal year.

23 Sec. 40. Section 79-1601, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-1601 (1) Except as provided in subsections (2) through

1 (6) of this section, all private, denominational, and parochial
2 schools in the State of Nebraska and all teachers employed or
3 giving instruction in such schools shall be subject to and governed
4 by the provisions of the general school laws of the state so far
5 as the same apply to grades, qualifications, and certification
6 of teachers and promotion of ~~pupils~~ students. All private,
7 denominational, and parochial schools shall have adequate equipment
8 and supplies, shall be graded the same, and shall have courses
9 of study for each grade conducted in such schools substantially
10 the same as those given in the public schools ~~where the children~~
11 ~~attending~~ which the students would attend in the absence of such
12 private, denominational, or parochial schools.

13 (2) All private, denominational, or parochial schools
14 shall either comply with the accreditation or approval requirements
15 prescribed in section 79-318 or, for those schools which elect not
16 to meet accreditation or approval requirements, the requirements
17 prescribed in section 79-318 and subsections (2) through (6)
18 of this section. Standards and procedures for approval and
19 accreditation shall be based upon the program of studies, guidance
20 services, the number and preparation of teachers in relation to the
21 curriculum and enrollment, instructional materials and equipment,
22 science facilities and equipment, library facilities and materials,
23 and health and safety factors in buildings and grounds. Rules
24 and regulations which govern standards and procedures for private,
25 denominational, and parochial schools which elect, pursuant to

1 the procedures prescribed in subsections (2) through (6) of this
2 section, not to meet state accreditation or approval requirements
3 shall be based upon evidence that such schools offer a program
4 of instruction leading to the acquisition of basic skills in
5 the language arts, mathematics, science, social studies, and
6 health. Such rules and regulations may include a provision for
7 the visitation of such schools and regular achievement testing
8 of students attending such schools in order to insure that such
9 schools are offering instruction in the basic skills listed in
10 this subsection. Any arrangements for visitation or testing shall
11 be made through a parent representative of each such school. The
12 results of such testing may be used as evidence that such schools
13 are offering instruction in such basic skills but shall not be used
14 to measure, compare, or evaluate the competency of students at such
15 schools.

16 (3) The provisions of subsections (3) through (6) of this
17 section shall apply to any private, denominational, or parochial
18 school in the State of Nebraska which elects not to meet state
19 accreditation or approval requirements. Elections pursuant to such
20 subsections shall be effective when a statement is received by the
21 Commissioner of Education signed by the parents or legal guardians
22 of all ~~children~~ students attending such private, denominational,
23 or parochial school, stating that (a) either specifically (i) the
24 requirements for approval and accreditation required by law and the
25 rules and regulations adopted and promulgated by the State Board of

1 Education violate sincerely held religious beliefs of the parents
2 or legal guardians or (ii) the requirements for approval and
3 accreditation required by law and the rules and regulations adopted
4 and promulgated by the State Board of Education interfere with
5 the decisions of the parents or legal guardians in directing ~~their~~
6 child's the student's education, (b) an authorized representative
7 of such parents or legal guardians will at least annually submit
8 to the Commissioner of Education the information necessary to
9 prove that the requirements of subdivisions (4)(a) through (c)
10 of this section are satisfied, (c) the school offers the courses
11 of instruction required by subsections (2), (3), and (4) of this
12 section, and (d) the parents or legal guardians have satisfied
13 themselves that individuals monitoring instruction at such school
14 are qualified to monitor instruction in the basic skills as
15 required by subsections (2), (3), and (4) of this section and
16 that such individuals have demonstrated an alternative competency
17 to monitor instruction or supervise ~~children~~ students pursuant to
18 subsections (3) through (6) of this section.

19 (4) Each such private, denominational, or parochial
20 school shall (a) meet minimum requirements relating to health,
21 fire, and safety standards prescribed by state law and the rules
22 and regulations of the State Fire Marshal, (b) report attendance
23 pursuant to section 79-201, (c) maintain a sequential program
24 of instruction designed to lead to basic skills in the language
25 arts, mathematics, science, social studies, and health, and (d)

1 comply with the immunization requirements in section 79-217 if
2 the statement signed by the parents or legal guardians indicate
3 a nonreligious reason pursuant to subdivision (3)(a)(ii) of this
4 section for the student attending a private, denominational, or
5 parochial school which elects not to meet state accreditation
6 or approval requirements. The State Board of Education shall
7 establish procedures for receiving information and reports required
8 by subsections (3) through (6) of this section from authorized
9 parent representatives who may act as agents for parents or legal
10 guardians of students attending such school and for individuals
11 monitoring instruction in the basic skills required by subsections
12 (2), (3), and (4) of this section.

13 (5) Individuals employed or utilized by schools which
14 elect not to meet state accreditation or approval requirements
15 shall not be required to meet the certification requirements
16 prescribed in sections 79-801 to 79-815 but shall either (a) take
17 appropriate subject matter components of a nationally recognized
18 teacher competency examination designated by the State Board of
19 Education as (i) including the appropriate subject matter areas for
20 purposes of satisfying the requirements of subsections (3) and (4)
21 of this section and (ii) a nationally recognized examination or (b)
22 offer evidence of competence to provide instruction in the basic
23 skills required by subsections (3) and (4) of this section pursuant
24 to informal methods of evaluation which shall be developed by the
25 State Board of Education. Such evidence may include educational

1 transcripts, diplomas, and other information regarding the formal
2 educational background of such individuals. Information concerning
3 test results, transcripts, diplomas, and other evidence of formal
4 education may be transmitted to the State Department of Education
5 by authorized representatives of parents or legal guardians. The
6 results of such testing or alternative evaluation of individuals
7 who monitor the instruction of students attending such schools may
8 be used as evidence of whether or not such schools are offering
9 adequate instruction in the basic skills prescribed in subsections
10 (2), (3), and (4) of this section but shall not be used to prohibit
11 any such school from employing such individuals. Failure of a
12 monitor, who is tested for the purpose of satisfying in whole or
13 in part the requirements of subsections (3) through (6) of this
14 section, to attain a score equal to or exceeding both the state
15 or national average score or rating on appropriate subject matter
16 components of recognized teacher competency examinations designated
17 by the State Board of Education may be by itself sufficient proof
18 that such school does not offer adequate instruction in the basic
19 skills prescribed in subsections (3) and (4) of this section.

20 (6) The demonstration of competency to monitor
21 instruction in a private, denominational, or parochial school
22 which has elected not to meet state accreditation or approval
23 requirements shall in no way constitute or be construed to grant a
24 license, permit, or certificate to teach in the State of Nebraska.
25 Any school which elects not to meet state accreditation or approval

1 requirements and does not meet the requirements of subsections
2 (2) through (6) of this section shall not be deemed a school for
3 purposes of section 79-201, and the parents or legal guardians of
4 any ~~children~~ students attending such school shall be subject to
5 prosecution pursuant to such section or any statutes relating to
6 habitual truancy.

7 Sec. 41. Section 79-1606, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-1606 In case any private, denominational, or parochial
10 school, after a final determination by the proper authorities under
11 sections 79-1601 to 79-1607, fails, refuses, or neglects to conform
12 to and comply with such sections, no person shall be granted
13 or allowed a certificate to teach in such school and the ~~pupils~~
14 students attending such school shall be required to attend the
15 public school of the proper district as provided by law in like
16 manner as though there were no such private, denominational, or
17 parochial school. Full credit for certification under the law shall
18 be given all teachers who have taught in private, denominational,
19 or parochial schools the same as though they had taught in public
20 schools.

21 Sec. 42. Section 85-607, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 85-607 No publicly funded college or university in this
24 state shall prohibit the admission of any ~~child~~ student educated in
25 any school which elects to meet the requirements of subsections (2)

1 through (6) of section 79-1601 if the ~~child~~ student is qualified
2 for admission as shown by testing results.

3 Sec. 43. Original sections 13-518, 43-2007, 60-658,
4 79-233, 79-234, 79-237, 79-238, 79-239, 79-240, 79-2,104,
5 79-319, 79-528, 79-569, 79-598, 79-606, 79-608, 79-611, 79-1003,
6 79-1007.06, 79-1007.08, 79-1007.16, 79-1007.20, 79-1007.21,
7 79-1007.22, 79-1014, 79-1065.01, 79-1084, 79-1086, 79-10,110,
8 79-1110, 79-1127, 79-1148, 79-1149, 79-1150, 79-1161, 79-1204,
9 79-1212, 79-1241.01, 79-1241.03, 79-1601, 79-1606, and 85-607,
10 Reissue Revised Statutes of Nebraska, are repealed.

11 Sec. 44. The following sections are outright repealed:
12 Sections 48-1301, 48-1302, 48-1303, 48-1304, 48-1305, 48-1306,
13 48-1309, 79-1168, 79-1169, 79-1170, 79-1171, 79-1172, 79-1173,
14 79-1174, 79-1175, 79-1176, 79-1177, 79-1178, and 79-1241, Reissue
15 Revised Statutes of Nebraska.